

WORKING DRAFT



**The Acquisition 2005 Task Force
Final (*Working Draft*) Report**

**SHAPING THE ACQUISITION
WORKFORCE OF THE FUTURE**

Prepared for

**The Under Secretary of Defense,
Acquisition, Technology and Logistics
*and***

**The Under Secretary of Defense,
Personnel and Readiness**

August 16, 2000

EXECUTIVE SUMMARY

A CHALLENGE WITH AN OPPORTUNITY

The Department of Defense (DoD)* is on the precipice of a crisis that the rest of the public and private sectors will also encounter—an age-related talent drain. More than 50 percent of the Acquisition Workforce will be retirement eligible by 2005 requiring a surge in recruiting at all levels. While addressing this challenge, the Department has a unique opportunity to change its civilian workforce culture. DoD must attract quality people by offering them quality work; work that is challenging, satisfying and important. The purpose of this report is to provide recommendations for the orderly transition of the aging DoD civilian Acquisition Workforce to meet the national security requirements of the 21st century.

BACKGROUND

During this era of change, there has been a profound shift in what is expected of the Acquisition Workforce. A number of factors have combined to change the education, training, and experience requirements that will be needed to serve in the DoD Acquisition Workforce in the 21st century. Outsourcing, base closures, and technological innovations have created a need for a more multi-functional, multi-skilled worker with advanced education and broad acquisition experience. This critical need will be exacerbated by the exodus of the aging baby-boom generation and the reduced hiring opportunities due to a smaller candidate pool and fierce competition with private industry to hire the same people. In addition, the present workforce is out of balance with respect to the number of mid-career level acquisition professionals available to replace the aging workforce. Unless immediately addressed, this situation will leave many acquisition organizations without the talent and leadership needed to move into the 21st century.

OBJECTIVE

Managing and reshaping the civilian Acquisition Workforce to meet future needs will require leadership commitment, new authorities, and, most importantly, a change in the traditional DoD way of managing its people. Agencies' employment structures and human resource processes will need greater flexibility to accommodate the workforce of the future. To make this transition successful, DoD must employ innovative approaches to recruiting, developing, and retaining its future workforce. Moreover, initiatives to implement these new approaches must begin by January 1, 2001, if DoD is to complete the transition of the Acquisition Workforce within three or more years to meet the demands resulting from a retirement exodus.

TASKING AND METHODOLOGY

To initiate this reshaping mission, the Under Secretary of Defense for Acquisition, Technology and Logistics, USD (AT&L), established a Task Force consisting of representatives from each Service as designated by the Service Acquisition Executives (SAEs), and representatives of Defense Contract Management Agency (DCMA), the Defense Logistics Agency (DLA) and the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, DASD (CPP). Task Force members are listed in Appendix A. The Task Force relied on the collective wisdom of many people throughout the acquisition community, using a number of approaches to get input from industry, academia, other federal agencies,

* Acronyms used through out this report are defined in Appendix B.

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and members of the DoD Acquisition Workforce. This report represents the joint efforts of the acquisition and personnel communities.

The actual Task Force effort consists of two phases. In the first phase, the Task Force, through careful research and analysis of all the field inputs, developed a number of initiatives that are grouped into five general themes: (1) Strategic Planning; (2) Recruiting/Hiring; (3) Career Development; (4) Workforce Management; and (5) Quality of Life. Supporting analysis for rough order of magnitude cost estimates are contained in Appendix C.

The Task Force also recommended several pilot projects that can be accomplished within current authority. The Task Force also evaluated innovative programs currently in use in some DoD acquisition organizations. From this evaluation, the Task Force identified best practices that should be benchmarked and adopted where possible.

In the second phase, the Task Force will oversee and coordinate the implementation of selected initiatives and will evaluate the results to determine if desired effects are being achieved.

RECOMMENDATIONS

Chapter 3 of this report contains three kinds of recommendations: Initiatives, Pilot Programs, and Best Practices. The Task Force recommends implementation of the initiatives, pilot programs, and best practices listed below. Most of these recommendations can be implemented now. Some will require legislation or policy change.

Initiatives:

Strategic Planning

- Develop and Implement Human Resource Strategic Plans

Recruiting/Hiring

- Market DoD as a Great Place to Work

- Develop Acquisition Workforce Recruiting Programs

- Maximize the Use of Student Educational Employment Program (SEEP) to Recruit College Students

- Maximize Use of Existing Hiring Authorities

- Establish and Enforce Acceptable Timelines for the Hiring Process

- Conduct an Acquisition Pay Comparability Study

- Make Pay More Competitive

- Expand Public and Private Sector Recruiting Efforts

- Establish a Central DoD Acquisition Career Management Website

- Develop a Mechanism for Acquisition Certification of Private Sector Accessions

- Convert Term Appointments to Permanent Appointments Non-Competitively

- Rehire Federal Annuitants without Financial Penalty

Ongoing Initiatives -

- Increase Bonus Ceilings

- Automate the Hiring Process

- Permit Initial Conversion of and Allow Immediate Contributions to Government 401K Plans

- Establish Special Pay Rates for Information Technology Specialists

Career Development

- Establish Career Paths to Achieve Multifunctional Acquisition Professionals

- Provide Timely Certification Training

- Provide More Career Broadening Opportunities

- Establish a Government/Industry Exchange Program

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Encourage Geographic Mobility
Increase Civilian Leadership Development Opportunities

Ongoing Initiatives -

Establish Career Development Plans for All Acquisition Career Fields

Workforce Management

Assess DoD Acquisition Workforce Personnel Management Authority
Develop a Functional Managers Recruiting, Hiring, and Retention Handbook
Provide Further Flexibility on High Grade Quotas
Improve Management of Personnel Lapse Rates
Assess the Need for DoD Civilian Retirement Plan Alternatives
Reduce or Eliminate the Early Retirement Penalty
Conduct Entrance and Exit Surveys
Establish a Program to Share Best Practices within the Acquisition Workforce

Ongoing Initiatives -

Expansion of the Acquisition Personnel Demonstration Project
Phased Retirement
Expanded Voluntary Early Retirement Act/Voluntary Separation Incentive Pay (VERA/VSIP)
Authority

Quality of Life

Maximize Use of Employee Incentive Programs
Create a Work-Friendly Environment
Maximize Use of Return Home Visit Authority for Temporary Duty (TDY) Employees and
Permit Spousal Travel as an Alternative.

Pilot Programs:

Initiative 5 - Maximize Use of Existing Hiring Authorities
Initiative 9 - Expand Public and Private Sector Recruiting Efforts
Initiative 14 - Establish Career Paths to Achieve Multifunctional Acquisition Professionals
Initiative 16 - Provide Career Broadening Opportunities
Initiative 17 - Establish a Government/Industry Exchange Program
Initiative 19 - Increase Civilian Leadership Developmental Opportunities.

Best Practices:

- Army Acquisition Corps Career Management
- Navy Acquisition Intern Program
- DoD Civilian Acquisition Workforce Personnel Demonstration Project
- Defense Leadership and Management Program (DLAMP)
- Secretary of Defense Fellows Program
- Automated Referral System & Resume Database.

CONCLUSION

The nation's warfighters depend on technologically superior weapon systems provided by the acquisition system. DoD cannot afford to wait; it must address the needs of the future Acquisition Workforce immediately to ensure that it attracts quality people and provide challenging opportunities. America's security will depend upon a DoD civilian Acquisition Workforce that has the education, training, and broad experience necessary to function effectively in the demanding new business environment of the 21st century.

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1. THE CHALLENGE

BACKGROUND

The Department of Defense (DoD) is facing a mass exodus of highly specialized civilian employees that will have a dramatic, adverse affect on its ability to provide the warfighter with the modern weapon systems needed to defend U.S. national interests. This situation is exacerbated by increased competition for available talent due to an expanding economy and a shrinking labor pool. In response to these challenges, DoD formed the Acquisition 2005 Task Force to identify initiatives that will enable the Department to ensure the Acquisition Workforce is prepared for the future.

DoD has produced the finest weapon systems in the world, and the civilian acquisition workforce is essential to sustaining that record in support of the DoD mission to deter war and, when necessary, fight to win. Civilian personnel handle critical functions in the daily business of running the defense establishment, and civilians are indispensable in managing DoD acquisition activities. The Department must have a professional civilian workforce, which must be treated as a highly valued professional resource in every respect.

“Unlike other kinds of organizations, DoD must always be ready for its mission,” said Dr. Diane Disney, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy. “And that doesn’t mean it can be in a full state of readiness in Germany but not Korea. We have to be ready at all sites at all times.”

UNDERSTANDING THE PROBLEM

More than half of the DoD civilian Acquisition Workforce will be eligible to retire by 2005.¹ Many employees are now in their early fifties and occupy positions of great responsibility or have extensive experience and unique skills within their DoD organizations. Figure 1-1 and 1-2 depict the dramatic demographic shift in the age of the DoD civilian workforce during the last decade.²

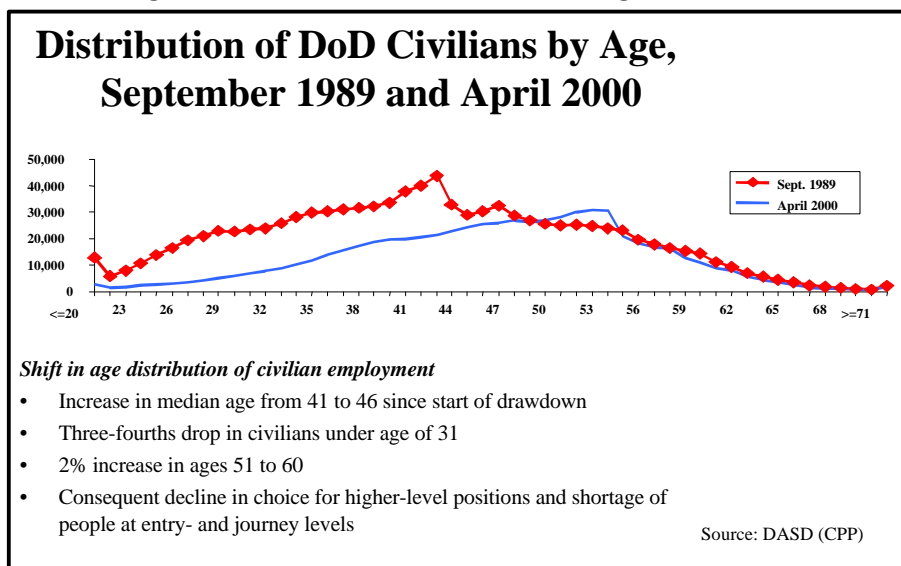


FIGURE 1-1. DISTRIBUTION OF DoD CIVILIANS BY AGE, 1989 AND 1999

¹ *The Future Acquisition & Technology Workforce*, prepared for OSD (AT&L), April 7, 2000, p.2-3.

² Testimony by Dr. Diane M. Disney, DASD (CPP) to the Military Readiness Subcommittee, House Armed Services Committee and the Civil Service Subcommittee, House Government Reform Committee, March 9, 2000.

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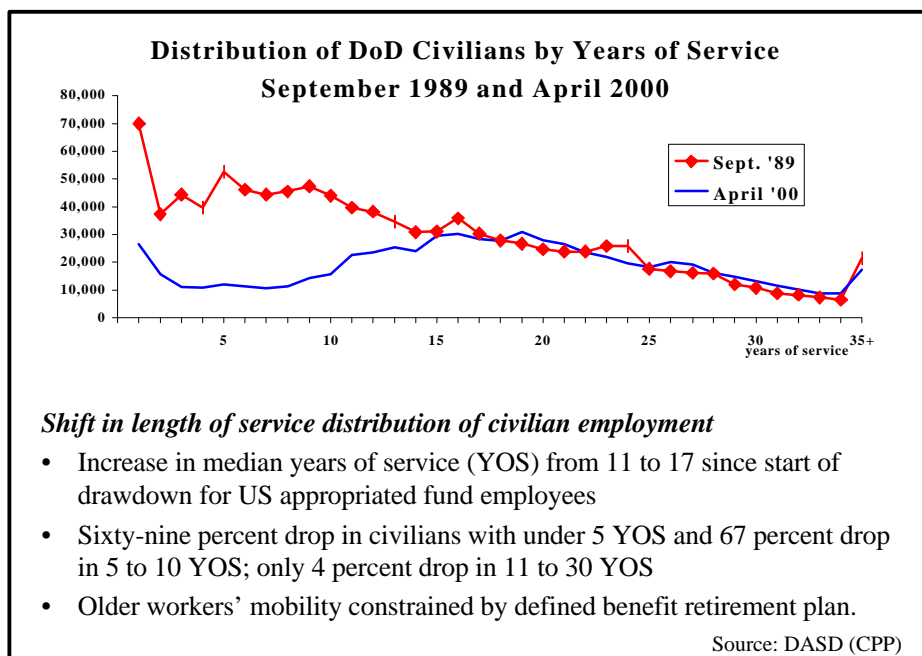


FIGURE 1-2. DISTRIBUTION OF DoD CIVILIANS BY YEARS OF SERVICE, 1989 AND 1999

Over ten consecutive years of downsizing have brought significant changes in the DoD civilian workforce in terms of age, occupational profile, grade, and educational level. Between 1989 and 1999, DoD reduced its civilian workforce by more than 400,000 positions, from approximately 1,117,000 to 714,000—a 36 percent reduction.³ Additionally, the Office of the Secretary of Defense (OSD) and the Office of Personnel Management (OPM) project additional losses of 36 to 52 percent in key acquisition occupations due to retirement over the next five years. (See Figure 1-3.)

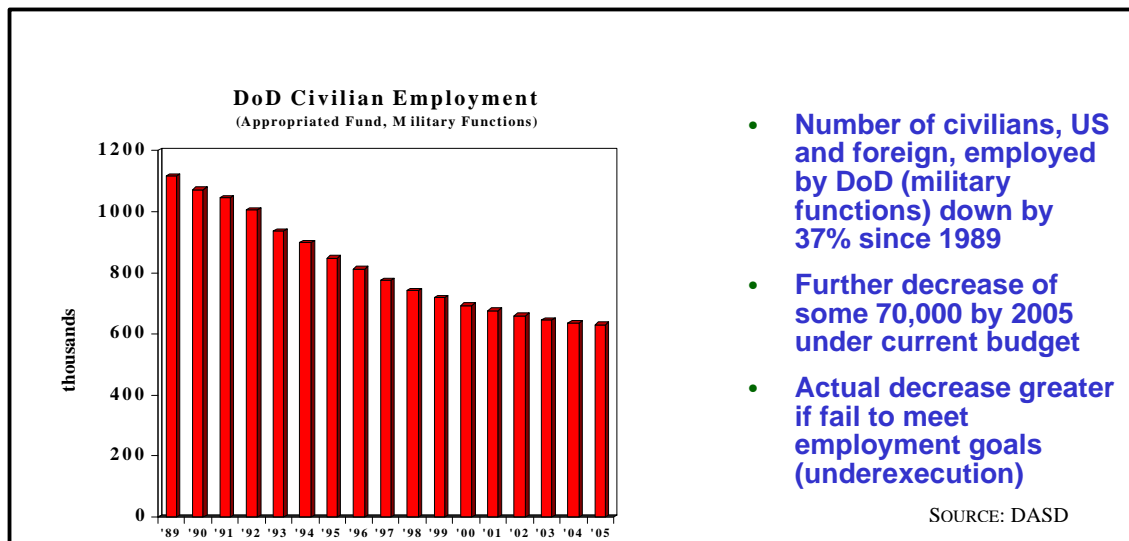


FIGURE 1-3. DOWNSIZING IMPACT ON THE DoD CIVILIAN WORKFORCE

³ Testimony by Dr. Diane M. Disney, DASD (CPP) to the Military Readiness Subcommittee, House Armed Services Committee and the Civil Service Subcommittee, House Government Reform Committee, March 9, 2000.

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A consequence of this decade of change is that the Department has undergone a profound shift in the expectations it has of its civilian Acquisition Workforce. Commercial outsourcing, base realignments and closures, and technological innovations have increased the need for employees to develop new skills through continuing education and training. The nature of work is also changing as advanced technology, increased contract oversight requirements, and a more complex mission forge the need for more multi-functional, multi-skilled workers with higher education, advanced certifications, and increased capability.⁴ The combination of reduced hiring and the aging of the baby-boom generation threaten to create a massive talent and leadership vacuum in many civilian departments. Taken together, these factors have produced a workforce that is very different from its predecessors.

THE PURPOSE

The purpose of this report is to provide a road map and recommend initiatives to promote an orderly transition to a DoD civilian Acquisition Workforce capable of coping with the management challenges of the 21st century. The Acquisition 2005 Task Force considered initiatives in the areas of strategic planning, recruiting and hiring, career development, workforce management, and quality of life. The Task Force identified recommendations that can be accomplished within existing authority and legislative initiatives to add greater flexibility to DoD's ability to manage its civilian Acquisition Workforce.

The Task Force is convinced that DoD must revolutionize its acquisition culture by providing flexible solutions that will build competencies and leadership within a multi-functional civilian Acquisition Workforce. To effect the transition from the existing workforce composition to a multifunctional workforce prepared to solve the problems of the new millennium, DoD will have to use new and innovative approaches to recruiting, retaining, and developing its employees in order to attract and keep quality people. Moreover, this transition will require three years or longer. Accordingly these initiatives must be implemented now. Managing and reshaping the civilian Acquisition Workforce to meet current and future needs is a critical task requiring leadership commitment, new tools, and, most importantly, a change in traditional DoD thinking.

The Task Force believes that DoD should foster a sense of community in the Department. This sense of community would make DoD an outstanding place to work, causing people to want to work for it. The sense of community should be based on the principles of valuing the differences in people; fostering an environment of mutual trust and respect; promoting professional and personal growth; creating a supportive environment for each other; recognizing that sharing of information promotes the full participation of the workforce; committing to creating a sense of community; and respecting and valuing individual contributions in meeting customers' needs.

DEFENSE ACQUISITION WORKFORCE IMPROVEMENT ACT (DAWIA)

The 1990 Defense Acquisition Workforce Improvement Act, Title 10 U.S.C. 1701-1764, focuses on improving the effectiveness of the people and the processes that comprise the defense acquisition system. Congressional intent was to improve the quality of the Acquisition Workforce through enhanced education, training, and career development, thus improving the acquisition process. Understanding the provisions of DAWIA and fully utilizing the authority it provides are essential to implementing many of the initiatives recommended in this report. (See Appendix D.)

⁴ *The Future Acquisition & Technology Workforce*, prepared for OSD (AT&L), April 7, 2000, p.2-3, 4.

ON MANAGING HUMAN CAPITAL⁵

There is a common awakening across the Federal Government that people are its greatest asset. Mr. David M. Walker, Comptroller General of the United States, is at the forefront in emphasizing the need for the Federal Government to place greater emphasis on developing and retaining its human resources. The Government Accounting Office (GAO) uses the term “human capital” rather than personnel or human resources because it emphasizes that as assets the value of employees can be increased by investment and that organizational performance capacity increase with that value. In a statement before Congress, Mr. Walker stated:

“The government’s human capital management has emerged as the missing link in the statutory and management framework that Congress and the executive branch have established to provide for more businesslike and results-oriented federal government. ...Federal employees should be viewed not as costs to be cut, but as assets to be valued. Only when the right employees are on board and provided the training, technology, structure, incentives and accountability to work effectively is organizational success possible. Modern strategic human capital management recognizes that employees are a critical asset for success, and that an organization’s human capital policies and practices must be designed, implemented, and assessed by the standard of how well they support the organization’s mission and goals. ...

**Federal employees
should be viewed
not as costs to be
cut, but as assets
to be valued.**

To meet the changing environment, federal agencies need to give human capital a higher priority than ever before and rethink how their workforces are developed and deployed to enhance achievement of organizational performance goals.”

CONCLUSION

Demographics and downsizing have given DoD a unique window of opportunity to reshape the civilian Acquisition Workforce to meet future challenges. A common perception is that the Department already has a wide range of tools. The reality is that many of the personnel authorities available today are either not well understood or are no longer as effective as they were previously. Some authorities reflect a “one-size-fits-all” approach that has evolved within a highly structured system over many decades, and they are no longer well suited to the current needs of the DoD civilian Acquisition Workforce.

The DoD civilian Acquisition Workforce of 2000 is very different from that of 1989 in terms of age, technology skills, educational level, and expectations. Also, the requirements for the workforce of 2005 will be significantly different from that of today. Therefore, the Department must seize this historic opportunity by developing and employing innovative initiatives to make appropriate changes in the DoD civilian Acquisition Workforce and its culture. The DoD civilian workforce remains the largest part (about 40 percent) of the Federal Government; therefore, both the public and private sectors will carefully watch how the Department meets the challenge of transforming its workforce in the 21st century.

DoD must act now.

⁵ Managing in the New Millennium: Shaping a More Efficient and Effective Government for the 21st Century. Testimony presented by David M. Walker, Comptroller General of the United States, to Congress on March 29, 2000. [<http://www.gao.gov/>].

2. METHODOLOGY/APPROACH

THE TASK FORCE AND ITS APPROACH

On April 1, 2000, Dr. Jacques Gansler, the Under Secretary of Defense for Acquisition, Technology and Logistics, USD (AT&L), formed the Acquisition 2005 Task Force to provide a road map for the orderly transition of DoD civilian acquisition personnel to a multifunctional workforce capable of coping with the management challenges of the 21st century. Dr. Gansler appointed Mr. Keith Charles, Acting Director, Acquisition Education, Training, and Career Development, [DUSD for Acquisition Reform (AET&CD), hereafter referred to as AET&CD], to direct this Task Force. The Task Force consists of representatives from the Army, Navy, Air Force, Defense Contract Management Agency (DCMA), Defense Logistics Agency (DLA), and Deputy Assistant Secretary of Defense (DASD/CPP), and industry/support teams from SRA International, Inc. and the Logistics Management Institute (LMI).

Dr. Gansler established two goals for the Task Force: (1) identify personnel initiatives to enhance DoD's ability to manage the acquisition workforce and recommend programs to implement them by July 31, 2000; (2) coordinate and monitor implementation and assess the results beginning August 1, 2000. This report satisfies the first goal. It is a collaborative effort between the Task Force and the DoD civilian acquisition and personnel communities, with extensive participation from the Military Services, DLA, DCMA, other federal departments, private industry, professional organizations, and academia.

The Task Force is accomplishing its charter in two phases. During the first phase, the Task Force solicited ideas from the acquisition community by conducting workshops and Web-based surveys, and advertising in *Acquisition Reform (AR) Now*. In addition, members evaluated the benefits and costs of suggestions and consulted with OSD and Service personnel staffs. Finally, the Task Force selected and documented promising initiatives, identified pilot program opportunities, and reviewed on-going innovative personnel programs. This Task Force report recommends changes to personnel practices to advance DoD's effort to reshape the Acquisition Workforce while simultaneously enhancing recruiting and retention efforts. The report also highlights six on-going, innovative personnel programs as best practices. Finally, the Task Force coordinated with Service Acquisition Executives and other key acquisition leaders to obtain input and support.

DoD WORKFORCE 2005 CONFERENCE

On May 15-16, 2000, the Task Force convened a two-day conference hosted by LMI. More than 80 representatives from DoD, other federal departments, private industry, professional associations, and academia participated, thus ensuring broad diversification of viewpoints.

The primary goal of the conference was to generate new ideas and alternatives to attract, hire, train, retain, and professionally develop the members of the future Acquisition Workforce. The conference began with plenary sessions to establish a common foundation. Participants then worked in four breakout workshops to address recruiting and hiring, career development, workforce management, and workforce shaping. The conference concluded with each workshop presenting its recommendations to the plenary body.

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The conference provided a unique forum that brought together different perspectives from a diverse body of participants. The Task Force thoroughly evaluated each of the conference's recommendations, and incorporated the most promising ideas into the initiatives recommended in this report.

FIELD INPUT

Figure 2-1 diagrams the techniques used by the Task Force to target what was important to the members of the Acquisition Workforce.

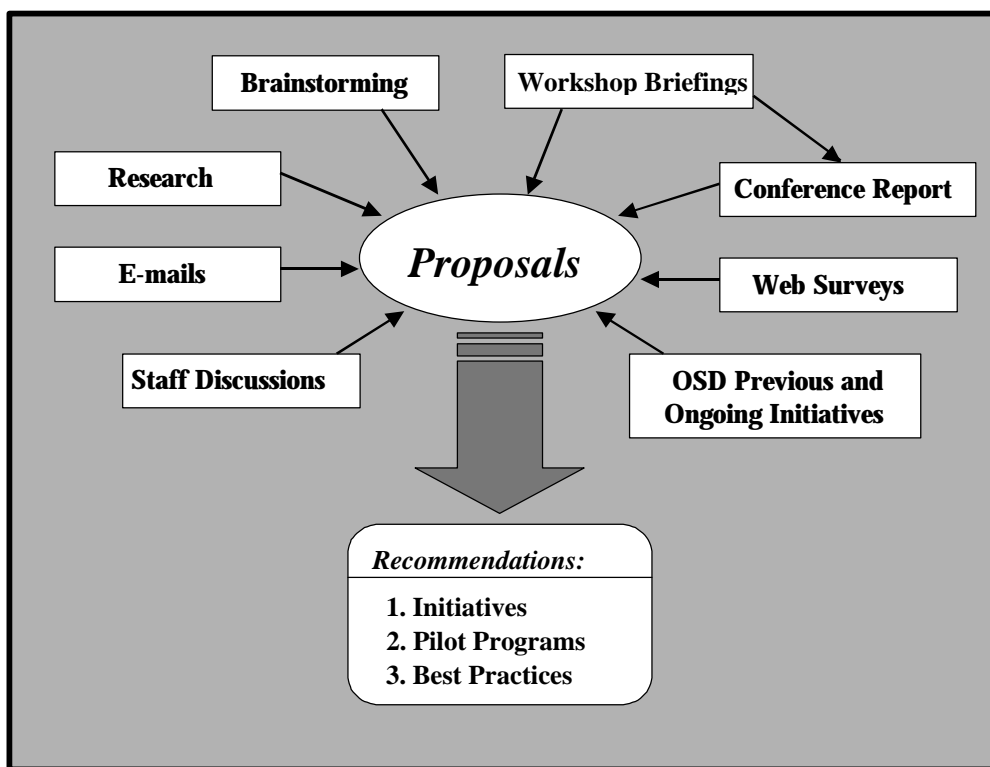


FIGURE 2-1. TASK FORCE METHODOLOGY

Survey - The Task Force collected ideas from the web site: www.acq.osd.mil/yourfuture, which hosted a survey where users could provide their idea(s). Over 430 responses were received from a cross-section of the Acquisition Workforce, other federal departments, and the private sector.

Emails - An *AR Now* article solicited readers' ideas via email. Over 100 responses were received from that message.

Presentations - Over a two-month period, Mr. Charles made numerous presentations promoting the Task Force mission. Some of these meetings included the General Services Administration (GSA) Exposition in San Diego, Acquisition Reform Week at the Pentagon, DCMA, town hall Meetings with the Under Secretary of Director of Acquisition Reform, the Acquisition Reform Senior Steering Committee (ARSSG), White House Executive Steering Group, the Office of the Deputy Undersecretary of Defense for Personnel Policy, the National Contract Management Association (NCMA), Department of Justice (DOJ), the Defense Partnership Council, and GAO.

Consultations - The Task Force members also met with representatives of the Services and Agencies, GAO, OPM, OSD, Health and Human Services (HHS), Business Executives for National Security (BENS), the Army Director of Acquisition Career Management (DACM), Jefferson Solutions, the OSD

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Acquisition Demonstration Project team, to review existing personnel policies and authorities and explore on-going initiatives. The responses received ranged from the use of existing authorities to DLA's suggestion that it be given full and open authority to manage its own workforce, within its budget, and conduct a 10-year pilot program to test whether it could operate essentially as a business. The results would be measured by whether its costs are covered by revenue and whether sales increase.

DoD Workforce 2005 Conference – Participants generated more than 390 ideas for evaluation by the Task Force.

INITIATIVE DEVELOPMENT PROCESS

After initial research, the DoD Workforce 2005 Conference, field inputs, and staff consultations were completed, the Task Force assessed and categorized hundreds of recommendations. The Task Force found that these suggestions could be grouped into five categories or themes: strategic planning, recruiting and hiring, career development, workforce management, and quality of life. Task Force members then researched existing programs and coordinated with OSD and component senior managers and personnel staff representatives, leading ultimately to the initiatives that are recommended in this report.

INITIATIVE IMPLEMENTATION

During the second phase, the Task Force will coordinate closely with the Services and the Defense Agencies⁶ to monitor the implementation of promising initiatives, evaluate the results, and fine tune them as necessary to ensure that the desired results are achieved. Also, the work of the Task Force is very dynamic, and the recommendations in this report will evolve as efforts to implement them mature. The Task Force plans to post current information on the initiatives on its website at <http://www.acq.osd.mil/yourfuture>.

⁶ The Defense Agencies (e.g., DLA, DCMA, DMA, DSMC, the Defense Contract Audit Agency (DCAA), the Ballistic Missile Defense Office (BMDO), etc.)

3. RECOMMENDATIONS

This section summarizes the recommendations of the Task Force. The recommendations fall into three broad areas: Initiatives, Pilot Programs, and Best Practices.

INITIATIVES

As described in Chapter 2, the Task Force received over 400 proposed changes to personnel and career management policy and procedures. The Task Force researched and analyzed all the inputs (workshops, web surveys, e-mails, and staff consultations) and concluded that the proposals fall into five broad categories or themes, all of which support the dual need to recruit and retain quality people by providing challenging and satisfying jobs (**Quality People/Quality Work**).

These themes are:

- Strategic Planning*
- Recruiting/Hiring*
- Career Development*
- Workforce Management*
- Quality of Life.*

Further analysis resulted in the Task Force recommending 30 initiatives. Many of these initiatives will be difficult to develop—the easy solutions already have been implemented. What remains will require tough choices, leadership commitment, and resources. Some will require legislation or policy change, but most can be implemented now. The initiatives are discussed by theme in the following sub-sections. Also included are recommended implementation actions and an estimate of the cost. A rough order of magnitude (ROM) cost analysis for each initiative in this Chapter can be found in Appendix C.

Strategic Planning

Throughout the dramatic downsizing period of the last decade, the Department was focused on pressing near-term people issues, rather than long-term solutions. Downsizing has slowed, and new challenges and opportunities have emerged—created in part by an aging workforce. The Department has a golden opportunity to take a comprehensive, strategic approach to forecasting future Acquisition Workforce requirements and developing a more versatile workforce adaptable to the rapidly changing environment of today and tomorrow.

The quality of the DoD Acquisition Workforce is critical to the successful implementation of our national defense strategy and to meeting changing warfighter needs. Shifting market conditions, an increasing tempo of military deployments, and the need for joint and coalition operations demand different experience and skill levels. However, current defense-planning strategies do not include an overarching human resources vision or plan. Improving the ability to forecast workforce needs is an increasingly urgent necessity. A strategic total force (civilian and military) human resources plan would give priority to key issues, needs, and concerns, and assure adequate quantity and quality of people in the future Acquisition Workforce to support the nation's security needs. We must not underestimate the importance of consistent, committed, and persistent leadership in bringing the Acquisition Workforce issue to the forefront of DoD leadership concerns.

People are assets whose value can be enhanced through investment thus increasing the overall performance capacity of an organization.

Initiative #1—Develop and Implement Human Resource Strategic Plans

USD (AT&L) and SAEs will develop and implement Human Resource strategic management plans to address the entire personnel life cycle from recruitment, through career development and retention, to separation and retirement.

To support the Strategic Planning process, DoD needs to develop a workforce-planning model for the Acquisition Workforce (similar to existing military models). The model will be used to accomplish a detailed needs analysis and to develop a demand report that addresses workforce, retirement, demographics, career fields and grades, and defines recruiting needs (must know need to hire).

The primary mission of today's leaders is to develop and create the leaders of tomorrow. DoD needs to invest in its Acquisition Workforce in order to maintain a high level of proficiency and to be prepared to meet the challenges of the 21st century. As people are developed, the performance capacity of the organization increases bringing better value to the warfighter. Developing and implementing a human capital strategic plan for the total force will enable the Department to:

Identity future needs.

Better align military and civilian work to meet needs.

Focus on investments.

Merge human capital strategies with DoD core business practices.

Enhance the recruiting, retention, and development of talented people.

These plans should be integrated with overall DoD acquisition strategies and the Government Performance and Results Act (GPRA) strategic planning processes. The plans should also encompass the ten key principles identified in GAO's *Human Capital, Key Principles from Nine Private Sector Organizations*:

Treat human capital management as being fundamental to strategic business management.

Integrate human capital functional staff into management teams.

Leverage the internal human capital function with external expertise.

Hire, develop, and sustain leaders according to leadership characteristics identified as essential to achieving specific missions and goals.

Communicate a shared vision that all employees, working as one team, can strive to accomplish.

Hire, develop and retain employees according to competencies.

Use performance management systems, including pay and other meaningful incentives, to link performance to results.

Support and reward teams to achieve high performance.

Integrate employee input into the design and implementation of human capital policies and practices.

Measure the effectiveness of human capital policies and practices.

Implementation—DASD (CPP) and AET&CD will provide guidance by October 30, 2000, and USD (AT&L) will require the Services and Defense Agencies to develop and begin to implement human resources strategic management plans at the Component-level by July 1, 2001.

Estimated Cost—\$.75M.

Recruiting and Hiring

Continued high economic growth, coupled with low unemployment rates, has dramatically increased competition for high-quality, educated and trained employees in both the government and private sector. DoD must have more effective recruitment and hiring strategies and tactics to position itself competitively in a growing “talent war.” A DoD civilian recruitment program must be innovative to meet today’s demands and be flexible to meet tomorrow’s needs. It must incorporate current technologies, and be at the forefront of using new tools and ideas to give us a competitive edge. DoD provides challenging opportunities and quality work early in one’s career – a significant competitive edge over the private sector.

Recruiting must be innovative to meet today’s demands and be flexible to meet tomorrow’s needs.

It is imperative that DoD launch an aggressive recruitment program targeted at entry, journey, and senior level management positions to replace nearly half its civilian Acquisition Workforce by 2005. The Department’s ability to recruit and fill these positions under current labor market conditions, particularly the high number of journey-level fills, hinges on successfully marketing the DoD mission, offering comparable pay and incentives, forming strategic liaisons with schools, developing and implementing the right recruitment tools, and providing adequate resources.

The hiring methods used by DoD for all levels of the Acquisition Workforce are crucial to successful mission accomplishment. Changes in basic policy, increased awareness and use of existing hiring and pay setting authorities, and better coordination OPM and DoD will lead to major improvements in the hiring process. DoD senior leaders must give priority to competing more effectively for the best and follow-up that commitment with sufficient resources.

The overall perception is that it takes too long to hire personnel. Management and human resource professionals must be committed to changing this perception by using all available authorities and technology, and providing the appropriate resources to ensure success in making timely offers. This report recommends the Department establish campus relationships, recruitment programs, and implement a more streamlined hiring process that fully exploits pay setting and bonus authorities in order to compete with the private sector for highly qualified candidates. Delegated Examining Authority (DEA), the Student Educational Employment Program (SEEP), the Presidential Management Intern (PMI) program, the Outstanding Scholar Program, and the newly established Federal Career Intern Program are tools that provide tremendous flexibility in hiring college and university graduates.*

DoD must make it easier for people to learn about and apply for jobs as well as provide timely feedback to applicants. Ongoing efforts to automate the hiring process will streamline the application and referral processes and make it easy to apply for a job anywhere and anytime.

Human Resource support staffs must partner with the acquisition functional managers to expand the human resources function beyond the traditional one of providing personnel-related administrative services. Human Resource management must be a part of an overall organization strategy.

In summary, it’s time to market DoD as an exciting place to work with challenging opportunities, advancement, excellent benefits, experience, career development, and a high quality of life. DoD must be creative and innovative in its recruiting and hiring efforts to attract quality people at all levels into the workforce. DoD is initiating this effort through its budgeting process. Implementation of the recruiting and hiring initiatives listed below will enhance DoD by providing competitive salaries, timely job offers, greater grade and pay flexibility, and better coordination internally and externally.

* Appendix E explains the personnel programs and terminology used in this report.

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Initiative #2—Market DoD as a Great Place to Work

Develop and implement a comprehensive marketing program to inform the general public, through the professional media, about DoD and the challenging career opportunities available in the Defense Acquisition Workforce.

Implementation—DASD (CPP) and AET&CD should jointly establish and chair a working group with representatives from the Services and Defense Agencies (including functional managers and public affairs representatives) and consider hiring a marketing firm to develop and implement a strategy to market DoD by March 15, 2001.

Estimated Cost—\$10M.

Initiative #3—Develop Acquisition Workforce Recruiting Programs

Develop comprehensive recruiting programs for the Acquisition Workforce at the Services and Agencies, recognizing the continued need for workforce diversity. Programs should include the following:

- Develop local recruiting strategies, including affirmative employment plans designed to achieve workforce diversity, to support and implement the Components' Human Resources strategic management plans.

- Train and prepare functional managers and new hires to support recruiting efforts.

- Develop and provide them with recruiting materials.

- Form close partnerships with college and university leaders.

- Establish an incentive/recognition program that rewards federal employees who nominate candidates for hard-to-fill positions when candidate is hired and remains with the Department for some period of time.

Implementation—The Services and Agencies will develop an implementation strategy by March 31, 2001, and initiate recruiting programs for the Acquisition Workforce during the third quarter of FY02.

Estimated Cost—\$5.5M

Initiative #4—Maximize Use of the Student Educational Employment Program (SEEP) to Recruit College Students

Target college and university students with critical skills early in their student years as part of DoD's marketing strategy. Structuring summer employment to showcase the challenging opportunities in DoD acquisition careers could significantly increase the number of students who elect to work for DoD after graduation. For example:

- Establish an Acquisition Summer Intern program to involve college students with the Acquisition career fields. The program should be structured to allow students to become involved in a formal project, the outcome of which can be presented to senior management officials at the end of the internship.

- Establish an acquisition civilian "Reserve Officer Training Corp (ROTC)" type scholarship program, to give students progressively responsible positions each summer (perhaps rotating through various functions/locations) and a permanent position upon graduation. The program could include payment of college tuition with an appropriate service commitment.

- Offer recruiting bonuses to co-op and intern students who convert to full time employees upon graduation from college.

- Use existing training authorities to offer accelerated promotions at six-month intervals.

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Implementation--The Services and Defense Agencies should review SEEP opportunities and take maximum advantage of them not later than October 1, 2000.

Estimated Cost--\$65M.

Initiative #5—Maximize Use of Existing Hiring Authorities

Fully use all existing hiring authorities including Delegated Examining authority, Term Appointment authority, SEEP, PMI, Outstanding Scholar, and Federal Intern Programs. The Task Force advocates maximum delegation of authority for recruitment bonuses, retention allowances, and pay setting to the appointing officials whenever possible. Having examining authority is key to accelerating the hiring process; it is generally available by request to DASD (CPP) through appropriate Component channels. In addition, hiring officials should establish and enforce acceptable timelines for the hiring process with customer service as a key metric. One method to accelerate and maintain shorter timelines is to maximize use of automated tools such as resume databases under the Modern Defense Civilian Personnel Data System. (See also the Ongoing Initiative to Automate the Hiring Process at the end of the Recruiting and Hiring section.)

Implementation--The Services and Agencies should examine their hiring policies to ensure that they are not unnecessarily restrictive and report successes to DASD (CPP) by January 1, 2001. Commanding officers and Administrators at all levels should strongly consider seeking Delegated Examining Authority. In addition, DASD (CPP) and AET&CD should jointly develop and distribute a Recruiting, Hiring, and Retention Handbook (See Initiative 21 in the Workforce Management section).

Estimated Cost--Within current budget authority.

Initiative #6—Establish and Enforce Acceptable Timelines for the Hiring Process

Streamline the hiring timelines and obtain leadership commitment to enforce it. Organizations that focus on the time required to hire and establish metrics to monitor it can significantly reduce the time required to hire new personnel. Possible interventions include: increased awareness by individuals involved in the hiring process, more personnel to process hiring actions, and increased use of automated tools such as resume databases.

Implementation--The Services and Defense Agencies should review their hiring processes and establish competitive hiring timelines. Complete this review and publish appropriate timelines and metrics by December 15, 2000.

Estimated Cost--No additional funds required.

Initiative #7—Conduct an Acquisition Pay Comparability Study.

Many believe that compensation is not comparable to the private sector. The findings from an acquisition pay comparability study would provide the information needed to make decisions for the future. If compensation is not comparable to private sector salaries in some acquisition occupations, DoD can seek special rate authority through OPM

Implementation--AET&CD should initiate a pay comparability study for acquisition career fields by October 1, 2000.

Estimated Cost--\$2.0M.

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Initiative #8—Make Pay More Competitive

Make initial offers and salaries more competitive with the private sector by maximizing use of available pay setting and bonus authorities (Superior Qualification Appointments, recruitment and relocation bonuses, and student loan pay back authority) to make total compensation more competitive with the private sector. Many functional managers do not fully understand all of the authorities currently available to assist them to make competitive compensation offers.

Implementation--DASD (CPP) develop and distribute a Recruiting, Hiring, and Retention Handbook for supervisors by February 1, 2001 that includes pay setting authorities. (See also initiative 21.)

Estimated Cost—To be determined.

Initiative #9—Expand Public and Private Sector Recruiting Efforts, and Make It Easier to Apply for DoD Acquisition Positions

Expand recruiting efforts to encompass all sources – industry, academia, DoD, and other federal agencies, and make it easier to apply for DoD Acquisition positions.

- Continue to streamline and automate the hiring process to make the application process more consistent with the private sector.
- Establish a timely and effective feedback process to keep applicants informed.
- Structure position criteria so those candidates outside the organization, command or agency can also qualify for selected positions.

Implementation—DASD (CPP) should streamline the application and hiring process by March 31, 2001 to target candidates from the private sector.

Estimated Cost—\$1M.

Initiative #10—Establish a central DoD Acquisition Career Management Website

A central website for the Acquisition Workforce, that identifies acquisition job vacancies similar to monster.com, hotjobs.com, etc., will serve as a marketing tool and “get the word out” to interested parties.

Implementation—The Director of AET&CD will develop a website that includes Acquisition Workforce job vacancies by March 31, 2001

Estimated Cost—\$1.25M.

Initiative #11—Develop Mechanism for Acquisition Certification of Private Sector Accessions

As the Department begins to recruit acquisition professionals from the private sector, it is imperative that DoD have a mechanism to assess experience, education, and training to quickly provide appropriate level of certification.

Implementation—The Director of AET&CD will develop a certification methodology for Acquisition Workforce accessions from the private sector by December 31, 2000

Estimated Cost—\$0.17M.

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Initiative #12—Convert Term Appointments to Permanent Appointments Non-Competitively

The ability to convert term employees into permanent employees offers the Department and the employee the opportunity to make sure it's a good fit. Legislative authority to offer term appointments that can lead to non-competitive conversion to permanent positions for organizations not in the Acquisition Demonstration would be an important recruiting and workforce shaping tool.

Implementation—AET&CD and DASD (CPP) will jointly develop and introduce a legislative proposal by October 1, 2000 in full consultation with the component union employee associations.

Estimated Cost—\$0.17M.

Initiative #13—Rehire Federal Annuitants without Financial Offset

Seek delegation of authority to rehire federal retirees on a case by case basis. Federal annuitants are a source of critical acquisition skills if needed. Rehiring federal annuitants without financial offset (similar to recent military compensation relief legislation) would provide a financial incentive if these retired employees are needed to conduct critical acquisition work.

Implementation—USD (AT&L) should seek delegation of authority from OPM to authorize rehiring of federal retirees, without financial offset, for critical Acquisition Workforce requirements. Revise relevant policy by December 15, 2000.

Estimated Cost—\$0.17M.

Ongoing Initiatives:

Increase Bonus Ceilings

Increase the percent of salary that can be used for recruitment, retention and relocation bonuses from 25% to 50% of base salary.

Implementation—This is an ongoing initiative sponsored by OPM. The Task Force strongly supports this initiative.

Automate the Hiring Process

Continue efforts to automate the hiring process throughout the Acquisition Workforce via automated referral systems and resume databases. OSD civilian personnel is currently automating the hiring process by integrating Resumix with the Modern Defense Civilian Personnel Data System (DCPDS).

Implementation--This is an ongoing initiative sponsored by DASD (CPP). The Task Force strongly supports this initiative.

Permit Initial Conversion of and Allow Immediate Contributions to Government 401K Plans

Adds the ability for new hires from industry to convert existing 401K plans into the government retirement plan and continue their contributions uninterrupted.

Implementation—This is an ongoing initiative sponsored by Congress. The Task Force strongly supports this initiative.

Establish Special Pay Rates for Information Technology Specialists

Special Pay rates will increase the ability to attract and retain Information Technology specialists.

Implementation—OPM is currently conducting a study to determine pay disparities. Expected implementation is January 2001. The Task Force strongly supports this initiative.

Career Development

Members of the civilian Acquisition Workforce must be better prepared to assume key leadership positions while adapting to the rapidly changing environment within DoD. To prepare the future workforce, we must describe the functional and leadership competencies required at all levels for acquisition career development. OPM has established functional and universal competencies that must be leveraged to assist in the development of individual career paths. In addition, the department must continue to invest in its people to make them more valuable, give them challenging and rewarding jobs that make them want to stay, and make them competitive for promotion.

Invest in people to make them more valuable and give them challenging and rewarding jobs

Career development includes education, training, and experience. Enabling education and training is a core supervisory responsibility, and supervisors must be committed to providing education and training opportunities both at TDY locations and at the workplace. Early in their careers, acquisition professionals develop job proficiency and functional expertise, as well as obtaining acquisition certification in their primary career field. At the mid-career point, the focus shifts to increasing the depth and breadth of experience.

In order to prepare individuals for key leadership positions, this report recommends that the Department increase civilian leadership development opportunities after Level III certification in primary career fields and identify competencies required for success in these positions. Although some acquisition professionals will choose to specialize in one career field many of tomorrow's leaders will need multi-functional experience. Therefore, we must develop career paths to enable the development of multi-functional acquisition professionals, and prepare employees through use of programs such as DLAMP and the Executive Leadership Development Program.

In addition, civilian members of the Acquisition Workforce need to increase their awareness of the functions and missions of other agencies, Services, and private industry. Rotational assignments among these entities will further enhance career-broadening experiences and develop well-rounded leaders for tomorrow. Mobility across occupations and organizations at the same location, as well as geographic mobility, can also provide tremendous broadening experiences needed to meet the challenges of tomorrow.

Finally, timely acquisition certification training must be available to all employees. Enabling education, training, and leadership development is a core supervisory responsibility, and supervisors must be

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committed to providing education, training, and leadership opportunities both at TDY locations and in the workplace.

Initiative #14—Establish Career Paths to Achieve Multifunctional Acquisition Professionals.

Identify and enable the development of multifunctional Acquisition career professionals while recognizing the continued need for technical specialists' career paths for all Acquisition Workforce by:

Entry level (level 5 to 9) - Develop functional expertise and achieve functional level II certification.

Journey level (level 9 to 12) - Broaden selected employees to gain functional expertise and level II certification in other acquisition fields.

Senior level (level 13 to 15) - Achieve level III certification in primary career field then acquire certification in multiple career fields. Make leadership series more generic (i.e., list as "General Manager" positions).

Provide orientation programs to new hires at all levels to better understand the warfighting mission and customers.

Implementation The Department, working closely with the Services and Defense Agencies, will define multifunctional career paths and provide a program plan by March 31, 2001, for Service and Defense Agency implementation.

Estimated Cost—\$2.5M.

Initiative #15—Provide Timely Certification Training

Provide training required for certification in a timely manner.

- Aggressively manage training quotas.
- Advertise and promote Defense Acquisition University (DAU) alternative courses.
- Expand use of distance and Web-based learning.

Implementation--Director AET&CD should assess training requirements and ensure that appropriate training is available by March 1, 2001. DAU should fund and implement certification training during third quarter, FY 02.

Estimated Cost—DAU has included this funding requirement in its current budget plans.

Initiative #16—Provide More Career-Broadening Opportunities

Provide career-broadening opportunities for level II and III certified professionals through rotational assignments. Allow employees to select local area and/or geographic mobility/rotation options. Promote mobility rotation between occupations and organizations in the local area for career broadening.

- Within Service or Agency
- To another DoD Service or Agency
- With other non-DoD federal departments or agencies

Implementation-- USD (AT&L) should direct the Services and Defense Agencies to implement career broadening programs by December 15, 2000.

Estimated Cost—\$84M.

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Initiative #17—Establish a Government/Industry Exchange Program

Create an exchange program between government and the private sector. This will introduce private sector business concepts, best practices, and perspectives to the Acquisition Community and provide career-broadening opportunities for level II and III certified Acquisition professionals.

Implementation—AET&CD should develop and sponsor legislation to establish a government/industry exchange program with the private sector “for profit” organizations for the Acquisition Workforce and submit it by October 1, 2000.

Estimated Cost—\$0.25M.

Initiative #18—Encourage Geographic Mobility

Provide incentives and support for geographic mobility assignments for incumbents of acquisition positions:

- Address family mobility issues for a geographic move. Assist spouses to find comparable jobs in new locations through the Priority Placement Program or use of “headhunters.” Identify sponsors to support family needs resulting from a move.
Provide authority to fund retirement moves for select civilians who were moved to meet DoD needs similar to existing authority for members of the SES.

Implementation-- The Services and Defense Agencies should foster mobility opportunities and establish support programs by December 15, 2000. AET&CD should initiate legislation to authorize retirement moves to home of record (similar to military entitlements) for the Acquisition Workforce by December 15, 2000.

Estimated Cost—\$8.5M.

Initiative #19—Increase Civilian Leadership Developmental Opportunities

Provide more civilian leadership development opportunities:

- Offer leadership training appropriate to each grade level. Develop programs for supervisors and managers that provide guidance on effective personnel management practices that enhance the work place environment and promote retention.
- Stress the critical role of first level supervisors in retaining talented employees.
- Designate positions as “leadership opportunities” and rotate personnel through on a two to three year basis.
- Identify acquisition leadership positions at senior management level and permit competition among multiple functional disciplines.
- In accordance with DAWIA, compete acquisition leadership positions between military and civilians.
- Expand the DLAMP program to include industry rotational assignments. (Ongoing Initiative at DASD (CPP) and consider a pre-DLAMP program for GS12/13 as recommended by the Defense Science Board’s Task Force on Human Resources Strategy.
- Encourage mentoring/coaching at all levels.

Implementation—The Services and Defense Agencies will develop implementation plans to increase civilian leadership development opportunities by March 31, 2001. The Services and Defense Agencies

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will compete military and civilian candidates for leadership positions IAW DAWIA. In addition, the Services and Defense Agencies will promote mentoring/coaching at all levels.

Estimated Cost--\$4.25M.

Ongoing Initiative:

Establish Career Development Plans for all Acquisition Career Fields

Utilize OPM-established competencies to establish requirements to advance to each career level. Use *The Future Acquisition and Technology Workforce Report* to describe these competencies in detail.

Provide training/experience to master these competencies.

Identify key positions, training, and experience that must be successfully accomplished to be competitive for promotion or assignment to key leadership positions.

Implementation--AET&CD, the Functional Advisors, career area Functional Integrated Product Teams, and Service DACMs are establishing civilian Acquisition Workforce career development plans. The Task Force strongly supports this effort.

Workforce Management

The way that acquisition is done in DoD is changing. Emerging technologies, globalization, downsizing, changing demographics, human capital concerns, and new national security threats will drive the civilian Acquisition Workforce environment of the 21st century. As a result we are demanding more of our managers, and they have increased responsibilities.

This new environment has manifested itself in a variety of ways: a tight U.S labor market resulting in a bidding war for talent, the globalization of technology, and new asymmetric threats. In order for the Acquisition Workforce to meet future national security requirements, we must be able to respond quickly. Modifications to DoD civilian personnel authority have occurred in recent years, increasing the Department's ability to respond to change. However, existing authorities are not well understood by many within the workforce, especially regarding initial pay setting and recruitment, retention and relocation bonus authorities.

Workforce Shaping is the key enabler for the transition to the workforce of tomorrow

While current civilian workforce authority provides some flexibility, it is not enough to achieve the necessary cultural change in values and processes needed to form the Acquisition Workforce of the 21st century. Current authority does not provide DoD with the ability and tools needed to retain institutional knowledge, and reshape the skills mix and numbers in its workforce.

The U. S. Senate version of the National Defense Authorization Act For Fiscal Year 2001, Section 812, recommends that the Secretary provide recommendations to improve personnel management laws, policies, or procedures with respect to the DOD acquisition workforce. As the Department develops recommendations, DoD must explore the full range of options necessary to recruit, retain, and reshape its workforce for tomorrow. An alternative hiring system that includes the category ranking, a shortage and critical need hiring authority, and exceptional academic qualifications or special experience hiring authority is critical to transition the workforce into the 21st Century. Proposed changes to existing personnel laws, policies, and procedures must consider merit system principles and merit system based organizational values; delegation of hiring authority to the lowest possible level; increased recruiting and staffing flexibility; increased use of automation and simplified human resource management

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systems; increased functional management involvement in qualifying, rating, ranking, and selecting candidates; market-based compensation, pay for contribution, and negotiation of vacation time for new hires from the private sector at journey and senior levels;; and additional workforce shaping tools.

The Acquisition Demonstration Project provides the acquisition community with many flexibilities. This demonstration provides the legal authority to combine broad banding, a simplified classification system, and a contribution-based Compensation and Appraisal System (CCAS) into an integrated human resources management program. Broad banding combines numerous occupational series into three career paths and groups several grade levels into pay bands with no steps. The simplified classification system replaces OPM classification standards with six contributing factors, and substitutes generic position requirement documents (PRDs) for multiple position descriptions. The CCAS directly links compensation to employees' contributions to their mission through their annual performance appraisals. This program provides greater managerial control over personnel processes and functions, and it expands the opportunities available to employees through a more responsive and flexible personnel system. It gives managers at the lowest possible level the authority, control, and flexibility they need to achieve quality acquisition processes and quality products.

Initiative #20—Assess DoD Acquisition Personnel Management Authorities

Assess the need for additional DoD authorities for civilian Acquisition Workforce personnel policy and procedures and recommend changes in full consultation with Component union employee associations. The assessment should encompass such things as the principles listed in the Workforce Management discussion above.

Implementation—AET&CD and DASD (CPP) should conduct this assessment jointly and introduce a legislative proposal by December 15, 2000.

Estimated Cost--\$1.75M.\$1.25M.

Initiative #21—Develop a Functional Managers Recruiting, Hiring, and Retention Handbook

Many functional managers do not fully understand current personnel authorities or how to use them. Therefore, the Task Force believes that DoD must communicate the current recruiting, retention, relocation, and pay authorities to functional managers by developing a comprehensive Recruiting, Hiring, and Retention Handbook.

Implementation--DASD (CPP) will develop a handbook for functional managers and make it available by all means to members of the Acquisition Workforce. Disseminate it broadly by January 1, 2001.

Estimated Cost--\$0.25M.

Initiative #22—Provide Further Flexibility on High Grade Quotas

Highlight existing flexibilities and authorities for DoD management of high grades to the Services and the Defense Agencies who have the ultimate responsibility to manage the DoD acquisition system.

Implementation--DASD (CPP) will publicize DoD high-grade personnel management flexibility by October 1, 2000. DASD (CPP) should review existing authority to manage high grades and seek additional flexibility for delegation to the Services and Defense Agencies by March 31, 2001.

Estimated Cost--No additional cost.

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Initiative #23—Improve Management of Personnel Lapse Rates

Improve management of personnel strength by increasing emphasis on efforts to reduce personnel lapse rates (the gap time until refilling a personnel vacancy).

Implementation--The Services and Defense Agencies will develop metrics to assess vacancy lapse rates and seek methods to decrease them. Simultaneously, the Services and Defense Agencies should evaluate and implement avenues to better manage unused personnel budget account resources resulting from vacancies.

Estimated Cost--No additional cost.

Initiative #24—Assess the Need for DoD Civilian Retirement Plan Alternatives

Assess the impact of the current retirement plans on the civilian Acquisition Workforce and determine the need to develop alternatives adapted to the changing market place. This initiative increases DoD's ability to transfer and retain critical knowledge in the civilian workforce.

Implementation--DASD (CPP) will conduct a study to assess the need for alternatives to current civilian employee retirement plans and report the results with recommendations to USD (P&R) and USD (AT&L) by July 1, 2001.

Estimated Cost--\$0.17M.

Initiative #25—Allow Employees to Buy Down the Early Retirement Penalty

Provide employees covered by the Civil Service Retirement System and the Federal Employees Retirement System the option to offset all or part of the under age penalty for early retirement by making voluntary contributions to the Civil Service Retirement and Disability Fund (CSRDF). Allow use of VSIP, lump sum annual leave, and other funds to be transferred directly to CSRDF.

Implementation--DASD (CPP) develop and introduce new legislation to Congress by January 1, 2001.

Estimated Cost--No additional cost; program would be employee funded.

Initiative #26—Conduct Entrance and Exit Surveys

Conduct entrance and exit surveys to determine where problems exist to allow management to adjust recruiting, hiring, and retention efforts. Involve functional managers in assessing the results.

Implementation--DASD (CPP) and AET&CD will jointly develop entrance and exit survey programs by January 31, 2001 for Service and Defense Agency implementation.

Estimated Cost--\$.17M.

Initiative #27—Establish a Program to Share Best Practices within the Acquisition Workforce.

Establish an OSD (AT&L) Acquisition Workforce program to solicit and recognize "best practices" across the DoD Acquisition Workforce. Share these best practices on an Acquisition Workforce web site (see Initiative #10)

Implementation--AET&CD shall develop and establish guidelines by January 1, 2001, and implement the program by March 31, 2001.

Estimated Cost--No additional costs.

Ongoing Initiatives:

Refine and Expand the Acquisition Personnel Demonstration Project

In close consultation with Component union employee associations, the Program Manager is refining the Acquisition Personnel Demonstration Project by incorporating lessons learned. The Acquisition Demonstration Program Office will meet with all interested parties to seek endorsement and expansion of the Project to as many Acquisition organizations and locations as possible.

Implementation—The Acquisition Demonstration Program Office will refine and promote expansion of the Acquisition Demonstration Project throughout the Acquisition Workforce. Service and Defense Agencies should strongly consider maximum participation in the Acquisition Demonstration Project.

Develop a Phased Retirement Program

Develop a phased retirement program for key acquisition workforce personnel in order to transfer critical expertise to replacements. For this initiative to have a positive force-shaping effect, it needs support by the Services and Defense Agencies.

Implementation—This is an ongoing initiative sponsored by DASD (CPP). The Task Force strongly supports this initiative.

Expand Voluntary Early Retirement Authority and Voluntary Separation Incentive Pay (VERA/VSIP) Authority

Expand the authority for use of VERA/VSIP as a workforce-shaping tool not associated with a reduction in force (RIF). This initiative enhances managers' ability to retain the right mixture of job skills while experiencing overall downsizing.

Implementation—This is an ongoing initiative jointly sponsored by Congress, OSD, and the Air Force. The Task Force strongly supports this initiative.

Quality Of Life

The Department must increase its flexibility to respond to the quality of life needs of the Acquisition Workforce to promote efficiency and effectiveness by maintaining high morale and sustaining high levels of retention. Quality of life will become an increasingly important factor in our ability to recruit and retain talented individuals in the future and should be marketed as a significant benefit, especially considering the very tight labor market in the U.S. The more flexible the we become in providing a workforce with the ability to balance work and family needs, the more productive we will be to meet the changing needs of the warfighter. Some of the key factors that influence employee quality of life include morale, flexible work schedules and practices, and maximizing family time.

**Promote retention by
balancing work and
personal life**

Recognition, both monetary and non-monetary, is an important tool in maintaining employee morale. Although the Department does not have the capability to match all private-sector incentives (e.g., large monetary awards, stock options, etc.), DoD can provide cash awards, Quality Step Increases (QSIs) and non-monetary awards to reward employees. In addition, awards of additional time off, public recognition ceremonies, and appropriate certificates or plaques are morale enhancing to employees and should be done more often in the Department.

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Flexible work schedules enable employees to balance work/life demands and are useful recruitment and retention tools. They enable managers and supervisors to meet their program goals while allowing employees to be more flexible in scheduling personal activities. As employees gain greater control over their time, they can, for example, balance work and family responsibilities more easily, become involved in volunteer activities, and take advantage of educational opportunities.

Initiative 28—Maximize Use of Employee Incentive Programs

Maximize use of employee incentive programs focusing on rewarding performance of the individual and team - recognition and awards, Gain Sharing, Quality Step Increases, and retention bonuses.

Implementation—The Services and Defense Agencies should review and take maximum advantage of available recognition programs by October 1, 2000.

Estimated Cost—Within existing budgets.

Initiative 29—Create a Work-Friendly Environment

Maximize the use of alternative work schedules (including flexible work hours and compressed work schedules), relaxed dress codes, and telecommuting, consistent with organization mission, for all levels of employees.

Implementation—The Services and Defense Agencies should review and take maximum advantage of available programs by October 1, 2000. Refer to existing DASD (CPP) policies.

Estimated Cost—Within existing budgets.

Initiative 30—Maximize Use of Return Home Visit Authority for TDY Employees and Permit Spousal Travel as an Alternative

Require managers to plan for, fund, and authorize “return home visits” for employees on long-term temporary duty using existing return home visit authority in the Joint Travel Regulations (JTR). Seek legislative authority to permit spouses to alternatively visit employees at the TDY location (similar to commercial sector best practice) as long as cost is not disadvantageous to the government (e.g., on a constructive travel basis).

Implementation—The Services and Defense Agencies should encourage managers to fund and provide return home visits IAW the JTR. AET&CD and DASD (CPP) should jointly develop and sponsor legislation to permit spouse travel submission to Congress by December 15, 2000.

Estimated Cost—\$1.2M.

PILOT PROGRAMS

The Task Force recommends that the following initiatives within current authority be implemented immediately on a limited basis. The proposed pilot programs are:

- **Initiative #5—Maximize Use of Existing Hiring Authorities**

Delegated examining authority can significantly streamline the hiring process. Suggest that each of the Services and Defense Agencies consider requesting Delegated Examining Authority for major civilian acquisition population centers.

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- *Initiative #9*—Expand Public and Private Sector Recruiting Efforts

Increasing the number people hired from outside the Department is key to cultural change. Recommend each Service and Defense Agency hire 5-10 people from outside the Department in FY 2001. Hiring retired military personnel would not achieve the goal of this initiative.

- *Initiative #14*—Establish Career Paths to Achieve Multifunctional Acquisition Professionals

The Services and Defense Agencies have already begun to explore multi-functional acquisition professionals. Recommend each Service and Defense Agency transition 5-10 people from one acquisition career field to another. These individuals should be at the journeyman level.

- *Initiative #16*— Provide Career Broadening Opportunities

The Services and Defense Agencies should provide career broadening opportunities in the local area by rotating individuals between organizations. The program can be initiated with 5-10 personnel at each acquisition population center.

- *Initiative #17*—Establish a Government/Industry Exchange Program

- Initiative #19*—Increase Civilian Leadership Developmental Opportunities.

The Services and Defense Agencies should identify 2-3 leadership positions as rotational assignments at each acquisition population center as a pilot effort in FY 2001.

BEST PRACTICES

This section of the report details proven, effective human resource management innovations in use among various DoD organizations. The Task Force identified these innovations as best practices that should be benchmarked by all Acquisition Workforce organizations.

Army Acquisition Corps Career Development

The Army Acquisition Corps (AAC) is designed to provide professional development, career enhancement, and education, training, and experience opportunities to enable the Army Acquisition Workforce (AAW) members to meet the needs of the 21st century soldier. Besides developing a highly competent Acquisition Workforce responsive to the needs of the Army, it also outlines a clearly defined environment that supports and encourages career progression and leadership development at all levels for both its military and civilian members. Examples of best practices implemented by the AAC include:

Centralized Career Management Approach

The Army is developing an integrated corps of acquisition leaders through a centralized management approach that identifies all position requirements and provides functional and leadership developmental opportunities to members of the AAW. This best practice of centralizing career development and management functions empowers both military and civilian members by enabling them to develop and execute personal career development plans tailored to their own professional goals as well as the requirements of the Army. In addition, the acquisition record brief is a one-page snapshot that facilitates a centralized approach by providing a means to track each workforce member's current organization, experience, education, training, and certifications, making it simple to match potential candidates and their skills to critical acquisition position vacancies.

Regional Support System

The AAC has established Regional Support Offices to decentralize human resources support and provide AAW members ready access to information on the opportunities that the Corps offers. Acquisition Career Managers (ACM's) reside at these offices to assist the workforce in achieving their career objectives. The advantage of this arrangement is that members of the workforce can meet face-to-face with a career specialist within their region to explore their options and develop their personal career outline. Previously it was the responsibility of the employee to research these opportunities, which can now be found in a single source, grouped by region.

Leadership Development for Journeymen

Another best practice established by the AAC is the Competitive Development Group (CDG) Program. Each year, General Schedule (GS)-12/13 acquisition professionals are competitively selected to participate in this program to develop future acquisition leaders by preparing them for more challenging leadership roles. The three-year program provides participants with cross-functional developmental assignments and expanded leadership and management training. CDG graduates are then designated as members of the U.S. Army Acquisition Corps. This program provides opportunities that the individual would not have otherwise, and identifies him/her as having the skills necessary to assume critical acquisition positions.

Military/Civilian Best Qualified Selection

The competitive selection of the best-qualified AAC members, military or civilian, for certain critical acquisition positions is also a best practice. Military and civilian AAC members are given the opportunity to apply and compete head-to-head for selected program manager/command positions. Through a competitive board selection process, positions are filled with the best-qualified AAC members, regardless of whether they are a military officer or civilian. Unique to this process is the fact that these individuals are selected based on common criteria independent of the positions, and then assigned to the positions based on best fit.

More information about the Army Acquisition Corps can be found on its homepage, <http://www.dacm.sarda.army.mil>.

Navy Acquisition Intern Program

The Navy Acquisition Intern Program fully utilizes existing salary and bonus authorities to compete with the private sector, and it makes a substantial investment in the career development of its interns by fostering the development of multi-functional skills. The program was developed in response to Public Law 101-510, Defense Acquisition Workforce Improvement Act (DAWIA) of 1990 (Section 1742) which states:

The Secretary of Defense shall require that each military department conduct an intern program for purposes of providing highly qualified and talented individuals an opportunity for accelerated promotions, career broadening assignments, and specified training to prepare them for entry into the Acquisition Corps.

The goal of the program is to recruit and develop the "best fit" individuals from colleges and universities and prepare them to assume some of the Department's top Acquisition Workforce positions. The Navy feels strongly that a highly trained, educated and skilled Acquisition Workforce is required to support the increasingly sophisticated Navy and Marine Corps weapons systems of today and tomorrow. Some of the features of the program are noted below:

Approximately 300 interns are hired per year totaling up to 900 in the program.

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It includes all acquisition career fields except Program Management.
It targets recent college graduates with approximately a 3.0 Grade Point Average (GPA) and above.
It features competitive job offers (using existing salary and bonus authorities to fullest extent).
It provides an orientation conference to familiarize interns with the Navy and Marine Corps mission. It includes ship and submarine tours, shipboard damage control training, and discussions with warfighters.
The three-year training and career development program is centrally funded.
It mandates development of Individual Development Plans.
It fully funds graduate courses and DAWIA training.
DAWIA level II certification is required upon completion.
It requires rotational assignments, both internal and external to the host organization, to promote multi-functional skills and leadership awareness.
It offers placement into Navy acquisition organizational billets at GS-11/12 or NH/NJ III level upon successful completion.

Air Force Materiel Command Human Resource Strategic Management Planning

The Air Force has already made significant strides in developing a Human Resource Strategic Management Plan for the acquisition workforce. In October 1998, the Air Force Materiel Command (AFMC) Commander, General George T. Babbitt, commissioned a comprehensive study of the command's work force to tailor AFMC's human resources to its future business needs. The study's scope encompassed the total force—civilian, military and contractor elements—an initial review of force data soon revealed that skewed civilian years-of-service demographics and lack of sufficient developmental positions presented the greatest of challenges to be addressed. The main focus of the study became the civilian segment, with an emphasis on accession planning and the investments needed to achieve our objectives.

While much remains to be accomplished, AFMC's Work Force Shaping Study, "Sustaining the Sword", has become the baseline for a comprehensive effort, through Program Objective Memorandum, Financial Plan and Budget Execution Review processes, to fund necessary force shaping investments. These include recruitment and relocation bonuses, first-duty station moving costs, additional Air Force interns, and training of supervisors for a significant increase in developmental employees. In addition, AFMC continues to press for policy and legislative reforms designed to cut red tape and streamline recruiting processes.

AFMC's Work Force Shaping Study, "Sustaining the Sword" can be found at <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/DP/2005/final.htm>.

DoD Civilian Acquisition Workforce Personnel Demonstration Project

The purpose of the DoD Civilian Acquisition Workforce Personnel Demonstration Project is to enhance the quality, professionalism, and management of the acquisition workforce through improvements in the efficiency and effectiveness of the human resources management system. This demonstration project provides managers, at the lowest practical level, the authority, control, and flexibility they need to achieve quality acquisition processes and quality products and to respond as market conditions change. This project not only provides a system that retains, recognizes, and rewards employees for their contribution, but also supports their personal and professional growth. It is indeed an enabler for cultural change.

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Project interventions strive to achieve the best workforce for the acquisition mission, adjust to workforce change, and improve workforce quality. Key features of the demonstration project include streamlined hiring, “broadbanding,” a simplified classification system and a Contribution-based Compensation and Appraisal System. In addition, this project offers Delegated Examining Authority and modified term appointments that provides organizations greater control over the hiring process. “Broadbanding” combines numerous occupational series into three career paths and groups several grade levels into pay bands with no steps. This simplified classification system replaces OPM classification standards with six contribution factors and replaces multiple position descriptions with generic position requirement documents. The contribution-based system links compensation to employees’ contributions to the mission through annual performance evaluations.

This project is tailored to the mission and needs of the DoD acquisition workforce. Currently, there are approximately 5,000 participants across all the Services and the Defense Agencies located in 63 locations worldwide. Employee unions have generally opposed the Acquisition Demonstration due to their concern that it would place too much authority over pay at the local management level.

For additional information on the DoD Civilian Acquisition Workforce Personnel Demonstration Project, visit its web site at <http://www.acqdemo.com>.

Defense Leadership and Management Program (DLAMP)

In response to recommendations from the Commission on Roles and Missions of the Armed Forces, DoD created the DLAMP program in 1997. This first-ever Department-wide program focuses on “joint” civilian leadership training, education, and development within and across the DoD components to prepare civilians for key leadership positions at the GS -13, GS-14, GS-15, and Senior Executive Service levels. This program is viewed as a best practice because it accomplishes the following:

- Enables civilian leaders to assume broader responsibility.

- Expands knowledge of the Department’s national security mission.

- Strengthens communication and trust among senior military and civilian leaders.

DLAMP requires a one-year rotational assignment outside one’s occupation or Service, at least a three-month course in professional military education at the senior level, and at least ten advanced-level graduate courses in subjects important for Defense leaders (in a format similar to a Defense-focused MBA). These activities are completed over six to ten years. Competitively chosen for admission, each participant also has a personal mentor to provide guidance throughout the multi-year effort. This program serves as a model for similar efforts in several other countries.

The success of DLAMP has heightened awareness of the need for additional investments in the civilian workforce both in terms of leadership skills and in terms of occupational knowledge. Research has indicated that higher-level DoD positions are filled overwhelmingly by people who have spent some time within the Department. It is essential that DoD continue to invest in its civilian cadre.⁷ To that end, the Defense Science Board’s Task Force on Human Resources Strategy recently issued a strong endorsement of DLAMP, called for its expansion, and recommended development of a DLAMP preparatory program for employees at the GS 9-12 levels. For more information about this important program go to <http://www.cpms.osd.mil/dlamp/cpms.html>

⁷ Testimony by Dr. Diane M. Disney, DASD (CPP) to the Military Readiness Subcommittee, House Armed Services Committee and the Civil Service Subcommittee, House Government Reform Committee, March 9, 2000.

Secretary of Defense Fellows Program

The Secretary of Defense Fellows Program was established to build a cadre of future military leaders who:

- Understand more than a profession of arms
- Understand an adaptive and innovative business culture
- Recognize organizational and operational opportunities
- Understand skills required to implement change
- Motivate changes throughout their career.

Annually, each service nominates two military officers who demonstrate high flag or general officer potential for assignment to the Secretary of Defense Fellows Program. Each fall, selected Fellows are assigned for ten months to a private sector corporation or a public sector institution successful in adapting to the changing global environment, exploiting the information revolution, structural reshaping/reorganizing, and developing innovative processes. Each Fellow is responsible for reporting and briefing business insights relevant to the DoD culture/operation and recommended process/organization changes. The Secretary of Defense Fellows Program corporate and public-sector sponsors include Citigroup, FedEx, Lockheed Martin, Sarnoff Corporation, Sears, Sun Microsystems, Mobil, and Anderson Consulting.

This program was selected as a best practice because it reaches out to the private sector to identify fresh ideas and incorporate best practices that offer potential benefits to the Department of Defense. The establishment of a government and industry exchange program will provide a similar opportunity to the civilian Acquisition Workforce and further increase the benefits to DoD.

Automated Referral System & Resume Database

In order to compete with private industry, the Department of Defense and other federal agencies are deploying automated referral systems. The capabilities that they provide make it much easier for a job seeker to apply for federal vacancies anywhere and at anytime through Internet access. In addition, these systems make it easier and quicker for federal managers to identify the right candidates to fill vacancies. Agencies such as The U.S. Geological Service and the Veterans Administration that have automated their hiring process have noticed a dramatic increase in their applicant pool, in some cases by as much as 400 percent. In addition, agencies can save thousands of hours and dollars in processing and certifying job finalists. These systems offer advanced automated staffing management solutions. Some commercial software permits an individual to submit a single resume. As vacancies are announced, personnel managers query the database for information such as name, education, training, licenses, awards, and unique skills. Extracted data can be matched against management criteria for vacant positions. Other applications require an individual to submit a resume and to answer standard, job-specific questions that can be automatically scored and ranked.

4. IMPLEMENTATION

During its review, the Task Force examined strategic planning, recruiting and hiring, career development, workforce management and quality of life issues. Based on its analysis, the Task Force has proposed 30 initiatives to enable the Acquisition Workforce to meet the challenges of the new millennium. Since the transition to the workforce of the future will require three years or more to complete, many of the career management initiatives identified in Chapter 3 of this report should be implemented as soon as possible.

Of the 30 recommended initiatives, 25 can be implemented in the near future using existing legislative authorities. Some of these recommendations require OSD to issue new policy guidance or regulations. Five recommendations will require introduction of proposals into the legislative process. In addition, six additional ongoing initiatives require congressional approval of pending legislative proposals before they can be implemented.

Twenty-one of the recommended initiatives require close coordination between USD (AT&L) and USD (P&R). These OSD staff elements should establish and co-chair a working group, chartered with the responsibility of developing policies, directives, and other implementing guidance. Additionally, this working group should initiate the necessary legislative proposals outlined in Chapter 3 of this report. The initiatives having the highest potential for near term benefit in support of the recruiting and hiring theme and those requiring less time to prepare should be included in the FY 2002 legislative cycle. The remaining initiatives should be targeted for the FY 2003 legislative cycle. Empowered representation from the Services and Defense Agencies will be vital in this process.

The six Pilot Program initiatives should be implemented on a trial basis. USD (AT&L), with Service/Agency coordination, will select specific organizations, establish metrics, and assess the merit of the individual programs prior to authorizing full implementation. The seven recommended Best Practices are ready for implementation now throughout the acquisition community.

The initiatives are grouped below by implementation category.

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27 **TABLE 4-1. TASK FORCE INITIATIVES**

INITIATIVES BY IMPLEMENTATION CATEGORY	Within Authority	Legislative Change	OPR	Suspense
Strategic Planning				
1. Develop and Implement Human Resource Strategic Plans	X		DASD (CPP) AET&CD USD (AT&L)	10/30/00
Recruiting/Hiring				
2. Market DoD as a Great Place to Work	X		DASD (CPP) AET&CD	03/15/01
3. Develop DoD Acquisition Workforce Recruiting Programs	X		Services & Agencies	03/31/01
4. Maximize the Use of Student Educational Employment Program (SEEP) to Recruit College Students	X		Services & Agencies	10/01/00
5. Maximize Use of Existing Hiring Authorities *	X		Services & Agencies	01/01/01
6. Establish and Enforce Acceptable Timelines for the Hiring Process	X		Services & Agencies	12/15/00
7. Conduct an Acquisition Pay Comparability Study	X		AET&CD	10/01/00
8. Make Pay More Competitive	X		DASD (CPP)	02/01/01
9. Expand Public and Private Sector Recruiting Efforts *	X		Services & Agencies	03/31/01
10. Establish a Central DoD Acquisition Career Management Website	X		AET&CD	03/31/01
11. Develop a Mechanism for Acquisition Certification of Private Sector Accessions	X		AET&CD	12/31/00
12. Convert Term Appointments to Permanent Appointments Non-Competitively	X		DASD (CPP) AET&CD	10/01/00
13. Rehire Federal Annuitants without Financial Penalty	X		USD (AT&L)	12/15/00
Career Development				
14. Establish Career Paths to Achieve Multifunctional Acquisition Professionals *	X		Services & Agencies	03/31/01
15. Provide Timely Certification Training	X		AET&CD	03/01/01
16. Provide More Career Broadening Opportunities *	X		USD (AT&L)	12/15/00
17. Establish a Government/Industry Exchange Program *		X	AET&CD	10/01/00
18. Encourage Geographic Mobility	X	X	AET&CD DASD (CPP)	12/15/00
19. Increase Civilian Leadership Development Opportunities **	X		Services & Agencies	03/31/01
Workforce Management				
20. Assess DoD Acquisition Workforce Personnel Management Authority	X	X	DASD (CPP) AET&CD	12/15/00
21. Develop a Functional Managers Recruiting, Hiring, and Retention Handbook	X		DASD (CPP)	01/01/01
22. Provide Further Flexibility on High Grade Quotas	X		DASD (CPP)	10/01/00
23. Improve Management of Personnel Lapse Rates	X		DUSD (PI)	07/01/01
24. Assess the Need for DoD Civilian Retirement Plan Alternatives	X		DASD (CPP)	07/01/01
25. Reduce or Eliminate the Early Retirement Penalty		X	DASD (CPP) AET&CD	01/01/01
26. Conduct Entrance and Exit Surveys	X		DASD (CPP) AET&CD	01/31/01
27. Establish a Program to Share Best Practices within the Acquisition Workforce	X		AET&CD	03/31/01

* Recommended Pilot Project.

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Quality of Life				
28. Maximize Use of Employee Incentive Programs	X		Services & Agencies	10/01/00
29. Create a Work-Friendly Environment	X		Services & Agencies	10/01/00
30. Maximize Use of Return Home Visit Authority for TDY Employees and Permit Spousal Travel as an Alternative	X	X	DASD (CPP) AET&CD Services & Agencies	12/15/00

TABLE 4-2. RECOMMENDED BEST PRACTICES

<i>Name</i>	<i>POC</i>	
Army Acquisition Corps Career Development		
Navy Acquisition Intern Program		
Air Force Materiel Command Human Resources Management Strategic Planning		
DoD Civilian Acquisition Workforce Personnel Demonstration Project		
Defense Leadership and Management Program (DLAMP)		
Secretary of Defense Fellows Program		
Automated Referral System & Resume Database		

APPENDIX A. TASK FORCE MEMBERS

DIRECTOR

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MEMBERS

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Mr. Anthony D. Nickens, USN (NAVSEA)

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APPENDIX B. ACRONYMS

AAC	Army Acquisition Corp
AAW	Army Acquisition Workforce
ACM	Acquisition Career Manager
AET&CD	DUSSD (AR), Acquisition Education, Training, and Career Development
ARSSG	The Acquisition Reform Senior Steering Committee
BENS	Business Executives for National Defense
BLS	Bureau of Labor and Statistics
BMDO	Ballistic Missile Defense Office
CCAS	Compensation and Appraisal System
CDG	Competitive Development Group; an AAC development program for select GS12-13s
CFR	Code of Federal Regulations
DACM	Director of Acquisition Career Management
DASD (CPP)	Deputy Assistant Secretary of Defense, Civilian Personnel Policy
DASD (P&R)	Deputy Assistant Secretary of Defense, Personnel and Readiness
DAU	Defense Acquisition University
DAWIA	Defense Acquisition Workforce Improvement Act
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DCPDS	Defense Civilian Personnel Data System
DEA	delegated examining authority
DLA	Defense Logistics Agency
DLAMP	Defense Leadership and Management Program
DoD	Department of Defense
DOJ	Department of Justice
DUSD (AR)	Deputy Undersecretary of Defense, Acquisition Reform
DUSD (PI)	Deputy Undersecretary of Defense, Program Integration
FY	fiscal year
GAO	General Accounting Office
GPA	grade point average
GPRA	Government Performance and Results Act
GS	general schedule; a civilian employee classification group usually listed with a grade level
GSA	General Services Administration
HHS	Health and Human Services
JTR	Joint Travel Regulations
LMI	The Logistics Management Institute
NCMA	National Contract Management Association
NH	The Business Management and Technical Management Professional pay band
NJ	The Technical Management Support pay band
OPM	Office of Personnel Management
OSD	Office of the Secretary of Defense
AET&CD	OSD, Acquisition Education, Training, and Career Development
PMI	Presidential Management Intern
PRD	position requirement documents
QSI	Quality Step Increase
RIF	reduction in force
ROTC	Reserve Officer Training Corp
SAE	Service Acquisition Executive
SEEP	Student Educational Employment Program
SRA	Systems Research and Applications, Inc.
TDY	temporary duty
USD (AT&L)	Undersecretary of Defense, Acquisition, Technology and Logistics
VERA	Voluntary Early Retirement Act
VSIP	Voluntary Separation Incentive Pay

APPENDIX C: ROM COST ANALYSIS ASSUMPTIONS

All costs estimates in this report are rough order of magnitude (ROM).

Initiative 1 – Develop and Implement Human Resource Strategic Planning	\$0.75 M start-up \$3.00M annually
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Defense Agencies Costs

Workforce Planning Model

Development

5.5 people for a 9 months @ 170K/man year

$$(5.5) * (.75) * (170) = 701.25K$$

Maintenance of Workforce Planning Model

1.5 people for 12 months @ 170K/man year

$$(1.5) * (1.0) * (170) = 255K \text{ annually}$$

Strategic Planning

Develop Strategic Plan for Defense Agencies (including needs assessment)

5 people for 9 months @ 170K/man year

$$(5) * (.75) * (170) = 637.5K \text{ annually}$$

Services Cost

1912.5K annually

Develop Strategic Plan (for each service) (including needs assessment)

5 people for 9 months @ 170K/man year

$$(5) * (.75) * (170) = 637.5K \text{ each}$$

Initiative 2 – Market DoD as a Great Place to Work	\$10.0M
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The Defense Science Board Task Force on Human Strategies recommended an initiative to increase recruiting resources including an additional \$50M for a new corporate advertising for the Acquisition Workforce. This portion of the new corporate advertising program will be approximately 20% of the total advertising budget recommended by the Defense Science Board.

This is consistent with the CPP POM Initiative

Initiative 3 – Develop DoD Acquisition Workforce Recruiting Programs	\$ 4.25 1.10M annually
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Defense Agencies Costs

Develop Recruiting Training Program for Defense Agencies

850K

4 people for 12 months @ 170K/man year

$$(4) * (1) * (170) = 680K$$

Conduct Recruiting Training

2 people for 6 months @ 170K/man year

$$(2) * (.5) * (170) = 170K$$

Service Cost

3400K

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Develop Recruiting Training Program (for each service)

4 people for 12 months @ 170K/man year

$(4) * (1) * (170) = 680K$

Conduct Recruiting Training

2 people for 6 months @ 170K/man year

$(2) * (.5) * (170) = 170K$

Note: Cost of Recruiting would be unchanged from present budget.

Strategic Partnering

No additional funds required

The costs associated with this initiative are included in the \$10M estimated in Initiative 2.

Recruitment Incentive Bonus Program

\$1.10M per year

Assumptions:

Based upon Industry averages, about 10% recruits will come from referrals.

Referral bonus is \$750 (maximum allowed under On The Spot Award)

Cost Calculation:

750 per referral for 7500 referrals equals \$ 5,625,000

This will be split equally across the Services and over 5 years

Required annual funding of \$1.105M

Initiative 4 – Maximize Use of the SEEP Program to Recruit College Students **\$65.00M**

Summer Intern program

12.750M

This Navy is using intern programs to recruit about 10% of it engineering workforce each year. Based upon that, approximately 3000 individuals would be in a summer intern program. Individuals hired under a summer intern program would be brought in at the GS-3 level (\$17,015). They would work about 3 months.

Cost Calculation:

$300 * 17,015 * .25 = \$12,761,250$

ROTC

50.00M

The *Defense Science Board Task Force on Human Strategies* recommended an initiative to increase recruiting resources including an additional \$50M for an expanded ROTC program. To recruit an equal number of civilians through a civilian ROTC program will cost approximately the same amount.

Accelerated Promotions

1.05M

Pay differential between GS-5 step 1 and GS-5 step 2 is approximately \$700.

Accelerated promotions would increase payroll cost by this amount for 6 months.

Cost Calculation:

$300 * 700 * .5 = 1,050,000M$

Co-op Recruiting Bonuses

This is accounted for in Initiative 6

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Initiative 5 – Maximize Use of Existing Hiring Authorities \$0.00M

Inherent to normal hiring function and within existing budget.

Initiative 6 – Establish and Enforce Acceptable Timelines for the Hiring Process \$0.00M

This is an inherent management responsibility that can be performed within existing budgets

Initiative 7 – Conduct an Acquisition Pay Comparability Study \$2.00M

In order to conduct any pay comparability study, it is first necessary to determine what are comparable jobs. The BLS pay comparability data does not exactly match the Acquisition Workforce career fields. Conduct of this study will require extensive data collection to determine Industry equivalent positions to those in the Acquisition Workforce. Then, data will have to be sought relative to Industry pay for the respective positions.

Assumptions:

Data Collection:

10 people for 9 months each

Analysis:

5 people for 9 months each

Cost Calculation:

15 people * 9 months * \$170K = \$ 1,912,500

Initiative 8 –Make Pay More Competitive TBD

In order to determine pay comparability one must make significant assumptions about the nature of the work, the value of different benefits, the relative costs in various locations, the market conditions, and the skills of the individuals filling the positions.

This makes any pay comparability analysis difficult to do and very controversial. Any attempt to determine the cost of achieving pay comparability needs to wait until the results of Initiative 7 are available.

Initiative 9 – Expand Public and Private Sector Recruitment Efforts and Make It Easier to Apply for DoD Acquisition Positions \$1.00M

Revise Acquisition Position Standards

2 people for 6 months @ 170K/man year

2 * .5 * 170 = .17M per Service and Defense Agency

Initiative 10 - Establish a Central DoD Acquisition Career Management Website \$1.25M \$0.17 annually

Centralized Acquisition Career Management Web Site

OSD Costs

Develop Website

680K

6 people for 6 months @ 170K/man year

(6) * (.5) * (170) = 510K

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Maintenance of Website

1 people for 12 months @ 170K/man year

$(1) * (1) * (170) = 170K \text{ per year}$

Service Cost

540K

Develop Service Portion of Website (for each service)

2 people for 6 months @ 170K/man year

Initiative 11 – Develop Mechanism for Acquisition Certification of Private Sector Accessions

\$0.17M

Develop Certification Methodology

2 people for 6 months @ 170K/man year

$(2) * (.5) (170) = 170K$

Initiative 12 – Convert Term Appointments to Permanent Appointments Non-Competitively

\$0.17M

Develop Legislative Proposal for inclusion in FY 02 Authorization Act

2 people for 6 months @ 170K/man year

$(2) * (.5) (170) = 170K$

Initiative 13 – Rehire Federal Annuitants without Financial Offset

\$0.17M

Develop Legislative Package for inclusion in FY 02 Authorization Act

2 people for 6 months @ 170K/man year

$(2) * (.5) * (170) = 170K$

Financial Offset

Assumption: Vacant positions would be filled with either a rehired annuitant or someone from another source. In either case the salary would be the same. The rehired annuitant would be getting the same retirement salary regardless. Therefore, there is no additional cost associated with paying the rehired annuitant.

Initiative 14 – Establish Career Paths to Achieve Multifunctional Acquisition Professionals

\$2.50M

Assumptions:

5 of 11 career fields would need more certification classes

Greater reliance on distance learning in the future

30 students per class

Cost per student is 1000

1 class for each certification level

Increased availability achieved with 3 more classes per year

Cost Calculation:

Course Conduct

$5 \text{ career fields} * \$1000 * 30 \text{ students} * 3 \text{ per career field} * 3 \text{ classes}$

$= \$1350K$

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Management Costs

2 people per service * 170K per man year

$$2 * 3 * 170 = 1.040M$$

Initiative 15– Provide Timely Certification Training

\$0.0M

This initiative will be executed within the DAU budget for certification training.

Initiative 16 – Provide Career-Broadening Opportunities

84.00M

The plans are for the exchange program to be done between DoD acquisition organization and Industry or other government agencies within 50 miles of major Acquisition Workforce work sites. Thus, there will be minimal relocation expense associated with this program.

Assumptions:

700 Government people will be in the program at any given time.

Supervisors of people in these positions will be allowed to backfill these positions

Average grade of individuals in program is GS-13

Average Salary (including benefits) is 120,000

Cost Calculation:

$$700 * 120 = \$84M$$

Initiative 17 – Establish a Government/Industry Exchange Program

\$0.25M

0.17M annually

The plans are for the exchange program to be done between DoD acquisition organization and Industry or other government agencies within 50 miles of major Acquisition Workforce work sites. Thus, there will be minimal travel or relocation expense associated with this program.

Assumptions:

Some of the 700 people identified in Initiative 16 will participate in the exchange program as part of their career broadening experience.

The Exchange Program would be administered by a non-profit organization such as

Business Executive for National Security (BENS)

Local travel for each employee would be less than \$100 per year.

Cost Calculation:

Develop Exchange Program

$$3 \text{ people for 6 months @ } 170K/\text{man year} = \$255K$$

Management of Program

$$1 \text{ person for 12 months @ } 170K/\text{man year} = \$170K$$

Initiative 18 – Encourage Geographic Mobility

\$8.50M

Develop Legislative Proposal for inclusion in FY 02 Authorization Act

1 person for 3 months @ 170K/man year

$$(1) * (.25) * (170) = 42.5K$$

Retirement Relocation

Assumptions:

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100 people per year require relocation upon retirement
Average relocation cost is 80K

Cost Calculation:

$$100 \text{ people} * 80 = 8.0\text{M}$$

Job Placement Assistance

In each of the 10 major centers of Acquisition Workforce personnel, retain the services of a placement firm to help place displaced spouses. Reasonable retainer would be ¼ of a consultant's time.

$$10 \text{ people for 3 months @ } 170\text{K/man year} \\ (10) * (.25) * (170) = 425\text{K}$$

Initiative 19 – Increase Civilian Leadership Developmental Opportunities \$4.25M

Defense Agencies Costs 850K

Develop Leadership Program for Defense Agencies

$$4 \text{ people for 12 months @ } 170\text{K/man year} \\ (4) * (1) * (170) = 680\text{K}$$

Conduct Leadership Training

$$2 \text{ people for 6 months @ } 170\text{K/man year} \\ (2) * (.5) * (170) = 170\text{K}$$

Services Cost

Develop Leadership Training Program (for each service) 3400K

$$4 \text{ people for 12 months @ } 170\text{K/man year} \\ (4) * (1) * (170) = 680\text{K}$$

Conduct Leadership Training

$$2 \text{ people for 6 months @ } 170\text{K/man year} \\ (2) * (.5) * (170) = 170\text{K}$$

Initiative 20 – Assess DoD Acquisition Personnel Management Authorities \$1.25M

Determine DoD Acquisition Personnel Management Authorities

$$4 \text{ people for 9 months @ } 170\text{K/man year} \\ 4 * .75 * 170 = 540\text{K}$$

Develop revised policy and procedures to match expanded SecDef authority

$$4 \text{ people for 12 months @ } 120\text{K/man year} \\ (4) * (1) * (120) = 480\text{K}$$

Initiative 21 – Develop a Functional Managers Recruiting, Hiring, and Retention Handbook \$.25M

Develop recruiting and hiring handbook

$$3 \text{ people for 6 months @ } 170\text{K/man year} \\ (3) * (.5) * (170) = 255\text{K}$$

Initiative 22 – Provide Further Flexibility on High-grade Quotas No additional funds required

DoD manages to budget. High-grade quotas are an internal management decision to aid in managing to budget. As the Acquisition Workforce was drawn down, High Grade Quotas were used by top Executive Branch managers to ensure that the draw down was equitable across grades. The need to do this no longer exists. This would have no impact on existing budget levels.

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Initiative 23 - Improve Management of Personnel Lapse Rates No Additional Funds required

This is within the responsibility of the managers and can be done within existing budgets.

Initiative 24 – Assess the Need for DoD Civilian Retirement Plan Alternatives 0.17M

Determine Effectiveness of Current Retirement Plans

2 people for 6 months @ 170K/man year

$$(2) * (.5) * (170) = 170K$$

Initiative 25– Allow Employees to Buy Down Early Retirement Penalty 0.00M

The employee will use VSIP payments or additional contributions to retirement fund to pay for the buy down. There is no additional cost to the DoD.

Initiative 26 – Conduct Entrance and Exit Surveys 0.17M

Develop Survey Instruments

2 people for 6 months @ 170K/man year

$$(2) * (.5) * (170) = 170K$$

Initiative 27 – Establish a Program to Share Best Practices within the Acquisition Workforce No additional funds required

This can be accomplished by making it a regular part of the Acquisition Reform Website

Initiative 28 – Maximum Use of Employee Incentive Programs No additional funds required

This initiative is revenue neutral. Existing incentive pools would be used.

Initiative 29 – Create a Work-Friendly Environment 0.00M

This initiative is revenue neutral. It would incur no change in hours or compensation.

Initiative 30– Maximize Use of Return Visit Authority for TDY Employees and Permit Spousal Travel as an Alternative 1.20M

Industry standard is one trip home every four weeks of extended TDY.

Assumptions:

Approximately 3000 trips annually

Average cost of trip is \$400

Cost Calculation:

$$3000 \text{ trips} * \$400 = \$1.2M$$

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TABLE C-1. Cost Analysis Summary

1. Develop and Implement Human Resource Strategic Plans	0.75M
2. Market DoD as a Great Place to Work	10.00M
3. Develop Acquisition Workforce Recruiting Programs	5.50M
4. Maximize the Use of Student Educational Employment Program to Recruit College Students	65.00M
5. Maximize Use of Existing Hiring Authorities	No additional funds
6. Establish and Enforce Acceptable Timelines for the Hiring Process	No additional funds
7. Conduct an Acquisition Pay Comparability Study	2.00M
8. Make Pay More Competitive	TBD
9. Expand Public and Private Sector Recruiting Efforts	1.00M
10. Establish a Central DoD Acquisition Career Management Website	1.25M
11. Develop a Mechanism for Acquisition Certification of Private Sector Accessions	.17M
12. Convert Term Appointments to Permanent Appointments Non-Competitively	.17M
13. Rehire Federal Annuitants without Financial Penalty	.17M
14. Establish Career Paths to Achieve Multifunctional Acquisition Professionals	2.50M
15. Provide Timely Certification Training	No additional funds
16. Provide More Career Broadening Opportunities	84.00M
17. Establish a Government/Industry Exchange Program	0.25M
18. Encourage Geographic Mobility	8.50M
19. Increase Civilian Leadership Development Opportunities	4.25M
20. Assess DoD Acquisition Workforce Personnel Management Authority	1.25M
21. Develop a Functional Managers Recruiting, Hiring, and Retention Handbook	.25M
22. Provide Further Flexibility on High Grade Quotas	No additional funds
23. Improve Management of Personnel Lapse Rates	No additional funds
24. Assess the Need for DoD Civilian Retirement Plan Alternatives	0.17M
25. Reduce or Eliminate the Early Retirement Penalty	No additional funds
26. Conduct Entrance and Exit Surveys	.17M
27. Establish a Program to Share Best Practices within the Acquisition Workforce	No additional funds
28. Maximize Use of Employee Incentive Programs	No additional funds
29. Create a Work-Friendly Environment	No additional funds
30. Maximize Use of Return Home Visit Authority for Temporary Duty (TDY) Employees and Permit Spousal Travel as an Alternative	1.20M

APPENDIX D. DAWIA

"DAWIA" is an acronym for the 1990 Defense Acquisition Workforce Improvement Act (Title 10 U.S.C. 1701-1764). The Defense Acquisition Workforce Improvement Act (DAWIA) focuses on improving the effectiveness of the people who must implement the defense acquisition system and make it work. The intent of DAWIA is to improve the quality of the Acquisition Workforce through enhanced education, training and career development and thereby improve the acquisition process.

DAWIA requires the Secretary of Defense to establish policies and procedures for the effective management (including accession, education, training, and career development) of DoD professionals in acquisition positions. The law also requires DoD to formalize career paths for personnel who wish to pursue careers in acquisition to develop a skilled, professional workforce. The legislation is specific on the minimum qualification standards of those performing functions integral to the acquisition process, and defines critical acquisition positions. DAWIA covers corps membership requirements, contracting officer requirements, program manager qualification standards, and requirements for assignment to critical acquisition positions.

DOD has accomplished the requirements of DAWIA by establishing policies for position management and career development. The policies divide acquisition positions into position categories and establish a formal certification process. DoD 5000.52M, Career Development Program for Acquisition Personnel, Nov 91, defines the certification process, as well as the career paths with specific education, training and experience requirements for those in acquisition positions. The Secretary of Defense documented DoD acquisition workforce management policy by issuing DoDD 5000.52 and DoD 5000.52M and DoD 5000.58R. The Military Departments and Agencies were directed to manage positions by identifying the acquisition workforce by career fields and critical acquisition positions. These efforts are DoD's primary implementation of the law.

Although workforce problems have surfaced frequently in the past, the great majority of previous reform efforts have focused on changes in policies and procedures, or in the organizational structure of the offices executing the acquisition process. DAWIA has changed the focus to improving the quality and professionalism of the Acquisition Workforce.

Improving the quality of the workforce will not in and of itself address such problems as service parochialism and budget instability. Nor will improvements in the skill levels of program managers in and of itself stop cost underestimating, force service commitment to joint programs, or lower technical risk. Improvements in the quality and professionalism of the acquisition workforce will not guarantee that the acquisition process runs flawlessly.

However, such improvements will significantly improve the ability of personnel to carry out the acquisition process and make it work more cost effectively.

APPENDIX E. PERSONNEL TERMS & PROGRAMS

Delegated Examining Authority

The Office of Personnel Management has delegated authority to DoD, under a written agreement, to conduct competitive rating, ranking and referral for selection for appointment to most positions. Component delegated examining units perform all competitive examining work including development of the examination, public announcement, development of rating criteria, testing, rating of candidates and establishing and maintaining a register of eligibles. In essence, DoD is performing the functions normally done by OPM. Alternatively, OPM will perform all or part of this process, under contract, on a reimbursable basis.

Direct Hire Authority

Direct-hire authority is a special hiring procedure designed to help agencies when they are not able to effectively recruit enough qualified candidates for their positions. The criteria for using these procedures are that there must be an open continuous job announcement including the OPM Job Listing, active recruitment, and an insufficient supply of qualified candidates to fill current vacancies. However, if this process produces more than three qualified and available candidates for a vacancy or if there is a mix of veterans' preference and non-preference eligibles, agencies must use regular competitive rating referral and referral procedures for selection. Selections must meet veterans' preference and order of selection requirements. This authority has been largely superseded by the delegation of examining authority.

Outstanding Scholar

The Outstanding Scholar Program is a special hiring authority established as a supplement to competitive examining for some entry-level positions. This special hiring authority is restricted to grade levels GS-5 and GS-7. To qualify for hiring under this program, the student must have a 3.45 or higher grade point average, on a 4.0 scale (3.45 is rounded up to 3.5) or have graduated in the upper 10% of their class.

The Outstanding Scholar Program is authorized under the terms of a consent decree (Luevano vs. Lachance) and can only be used for specific series and job titles. Positions in the following occupational fields are not covered by the Outstanding Scholar Program: Accounting and Auditing; Engineering; Physical Sciences; Biological Sciences; and Mathematics. This authority was provided under a settlement for a class discrimination complaint for Hispanics and African-Americans. While there is no restriction on hiring under this authority, the predominant use should be to appoint from these groups.

Presidential Management Intern (PMI) Program

This is a two-year internship program that enables graduate degree students to be appointed to federal positions as PMI's. Although the PMI Program accepts applicants from a variety of graduate-level academic backgrounds, applicants must have an interest in a career in the analysis and management of public policies and programs.

Students selected under this program are hired at the GS-09 level and are eligible for promotion to the GS-11 level after successful completion of the first year. Upon completion of the second year, they are eligible for conversion to a permanent federal civil service position and promotion to the GS-12 level.

Recruiting/Relocation Bonuses

An agency may pay a lump-sum recruitment bonus of up to 25 percent of the annual rate of basic pay to an employee newly appointed to a difficult-to-fill position. An agency may also pay a lump-sum relocation bonus of up to 25 percent of the annual rate of basic pay to an employee who must relocate to accept a difficult-to-fill position in a different commuting area.

Retention Bonus

An agency may pay a retention allowance of up to 25 percent of basic pay to an employee if the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee, and the agency determines that the employee would be likely to leave the Federal service without the allowance.

Student Education Employment Program

The Office of Personnel Management has consolidated student employment programs into one program that serves as a tool to assist agencies in building a diverse work force. The program has two components:

Student Career Experience Program

Student Career Experience Program students are hired to work in their academic field. Students appointed under this authority may be non-competitively converted to a career or career-conditional appointment or term appointment within 120 days of completion of their academic program. Tuition assistance is available for all or part of the training expenses. The student may be required to sign a written training agreement to continue employment for a specified period of time before accepting tuition assistance. This has replaced the Cooperative Education Program, Federal Junior Fellowship Program, Stay-in-School Program and Harry S. Truman Scholarship Program.

Student Temporary Employment Program

The Student Temporary Employment Program provides flexibility to appoint students on a temporary basis (not to exceed one year) to jobs that may or may not be related to the student's academic field. Appointments under this authority may be extended in 1-year increments as long as the individual meets the definition of a student. The agency may fund all or part of job-related training expenses.

Student Loan Repayment

Under the provisions of DAWIA, the Secretary of Defense may repay all or part of a student loan for an employee of DoD appointed to an acquisition position. However, several Components have not implemented student loan programs.

Superior Qualifications Appointments

Appointments can be made under this provision at a rate above the minimum rate of the appropriate General Schedule grade because of the superior qualifications of the candidate or a special need of the agency for the candidate's services. These are commonly referred to as "advanced-in-hiring rates."

Term Appointment

A term appointment is a non-status appointment to a position in the competitive service for a specified period exceeding one year and lasting not more than four years. If a need exists for an additional year, a one-year extension may be granted by the Office of Personnel Management. Term appointments do not “convert” to career or career conditional appointments.

Installations may use term appointments to fill positions which are expected to last longer than one year but which are clearly not of a continuing nature and will terminate upon completion of work. If a need exists for an additional year, a one-year extension may be granted by the Office of Personnel Management. Examples of appropriate uses of term employees include:

- Uncertainty of future funding

- Carrying out special project work

- Staffing new or existing programs of limited duration

- Filling positions in activities undergoing a commercial activity review or which are in the process of being closed

- Replacing permanent employees who have been temporarily assigned to another position, are on extended leave, or who have entered military service.

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